
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from **to** **.**

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report

Commission file number: 001-41889

Cadeler A/S

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English)

The Kingdom of Denmark

(Jurisdiction of incorporation or organization)

Kalvebod Brygge 43

DK-1560 Copenhagen V, Denmark

(Address of principal executive offices)

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Chief Legal Officer

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DK-1560 Copenhagen V, Denmark

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s):	Name of each exchange on which registered
Cadeler ordinary shares, with a nominal value of DKK 1.00 per share		New York Stock Exchange ⁽¹⁾
American Depositary Shares, each representing four (4) ordinary shares	CDLR	New York Stock Exchange

(1) Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

The number of outstanding shares as of December 31, 2023 was:

Title of Class	Number of Shares Outstanding
Ordinary shares, with a nominal value of DKK 1.00 per share	311,409,868

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

- U.S. GAAP
- International Financial Reporting Standards as issued by the International Accounting Standards Board
- Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

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INTRODUCTION

In this annual report on Form 20-F (the “Annual Report on Form 20-F”) the terms “Company” and “Cadeler” refer to Cadeler A/S, a public limited liability company incorporated under the laws of Denmark, and the term “Cadeler Group” refers to Cadeler together with its subsidiaries on a consolidated basis. The term “Cadeler Shares” refers to ordinary shares of Cadeler, each with a nominal value of DKK 1.00 per share, and the term “Cadeler ADSs” refers to Cadeler’s American Depositary Shares (“ADSs”), each of which represents four (4) Cadeler Shares.

Pursuant to Rule 12b-23(a) of the Securities Exchange Act of 1934, as amended, certain information required to be included in this Annual Report on Form 20-F is being incorporated by reference from the Company’s statutory annual report for the year ended December 31, 2023, including the consolidated financial statements of the Cadeler Group included therein (the “Annual Report 2023”), and the Company’s remuneration report for the year ended December 31, 2023 (the “Remuneration Report 2023”) as specified in this Annual Report on Form 20-F. Therefore, the information in this Annual Report on Form 20-F should be read in conjunction with the Annual Report 2023 and the Remuneration Report 2023, to the extent specified (see Exhibits 15.1 and 15.2, respectively). With the exception of the items and pages so specified, the Annual Report 2023 and Remuneration Report 2023 are not being, and shall not be deemed to be, filed as part of this Annual Report on Form 20-F.

The Company publishes its financial statements in Euros (“EUR”). The terms “USD,” “U.S. dollars” and “\$” refer to the currency of the United States, the term “NOK” refers to Norwegian Kroner and the term “DKK” refers to Danish kroner.

Forward-looking statements

The information set forth in this Annual Report on Form 20-F contains “forward-looking statements” as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are generally identified by terminology such as “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “should,” “project,” “target,” “plan,” “expect,” or the negatives of these terms or variations of them or similar terminology. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based upon current expectations, beliefs, estimates and assumptions that, while considered reasonable as and when made by Cadeler, are, by their nature, subject to significant risks and uncertainties. In addition, new risks and uncertainties may emerge from time to time, and it is not possible to predict all such risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied by any forward-looking statements set out herein include:

- the Cadeler Group’s limited number of vessels and its vulnerability in the event of a loss of revenue relating to any such vessel(s);
- risks inherent to Cadeler’s offshore operations,
- the possibility that the utilization of the Cadeler Group’s vessels may be lower than expected and that its backlog of contracts may fail to materialize;
- contractual and non-contractual legal risks related to the Cadeler Group’s operations which may expose the Cadeler Group to financial losses and for which the Cadeler Group may not have insurance coverage;
- risks related to the ordering, construction and delivery of new build vessels and upgrades of existing vessels;
- material weaknesses in the Cadeler Group’s internal control over financial reporting;
- risks relating to technical, maintenance, transportation and other commercial services supplied to the Cadeler Group by third parties;
- increased competition and volatility in demand;
- international, national or local economic, social, political or geopolitical conditions and macroeconomic factors that could adversely affect the Cadeler Group;
- risks deriving from restrictive covenants and other conditions under Cadeler’s financing arrangements and financial risks arising generally as a result of the Cadeler Group’s level of indebtedness;
- risks relating to the failure to retain and recruit key personnel and/or to labor disruptions;
- risks relating to any failure to comply with applicable laws and regulations as well as expectations regarding environmental, social and governance as well as sustainability matters;
- risks related to Danish and U.S. taxation;
- credit, interest and exchange rate risks;

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- any failure to realize the anticipated benefits of the Business Combination (as defined below) and risks related to the integration of the acquired business;
- the possible dilution of Cadeler Shares and Cadeler ADSs;
- the limited rights of Cadeler ADS holders;
- the ability of certain of the Cadeler Group's largest shareholders to influence matters requiring shareholder approval and affect the price of the Cadeler Shares; and
- a lack of public information concerning Cadeler due to it being a foreign private issuer and an emerging growth company.

These and other risks and uncertainties may cause actual results to differ materially and adversely from those expressed in any forward-looking statements. Cadeler cautions you not to place undue reliance on any forward-looking statements as they are not guarantees of future performance or outcomes. Actual performance and outcomes, including, without limitation, Cadeler's actual results of operations, financial condition and liquidity, and the development of new markets or market segments in which Cadeler operates, may differ materially from those made in or suggested by the forward-looking statements contained herein. Except as required by law, Cadeler does not assume any obligation to update or revise the information contained herein, which speaks only as of the date hereof.

For additional information about factors that could cause Cadeler's results to differ materially from those described in the forward-looking statements, please see the section hereof entitled "Risk Factors" beginning on page 3 of this Annual Report on Form 20-F.

Unless required by law, Cadeler has no duty and undertakes no obligation to update or revise any forward-looking statement after the date of this document, whether as a result of new information, future events or otherwise.

Enforceability of civil liabilities

Cadeler is a public limited company incorporated under the laws of Denmark. The majority of Cadeler's current directors and executive officers, and certain experts named herein, reside outside the United States. All or a substantial portion of Cadeler's assets and the assets of those non-resident persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon Cadeler or those persons or to enforce against Cadeler or them, either inside or outside the United States, judgments obtained in U.S. courts, or to enforce in U.S. courts, judgments obtained against them in courts in jurisdictions outside the United States, in any action predicated upon the civil liability provisions of the federal securities laws of the United States.

The United States does not have a treaty with Denmark providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability may not be directly enforceable in Denmark. However, if the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Denmark, that party may submit to the Danish court the final judgment that has been rendered in the United States. A judgment by a federal court or state court in the United States will neither be recognized nor enforced by a Danish court but such judgment may serve as evidence in a Danish court. It is uncertain whether Danish courts would allow actions to be predicated on the securities laws of the United States or other jurisdictions outside Denmark, and Danish courts may deny claims for punitive damages and may grant a reduced amount of damages compared to U.S. courts.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk factors

Set out below is a summary of certain risk factors which could affect the Cadeler Group's future results and may cause them to differ from expected results materially. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties that the Cadeler Group's business faces.

Risks Related to the Cadeler Group's Business

The Cadeler Group only has a limited number of vessels and could be adversely impacted if any vessel is taken out of operation, or if there is a delay in delivery of any new build vessel.

The Cadeler Group generates revenue by utilizing its fleet for the transportation and installation of offshore wind turbine generators and foundations and the provision of operations and maintenance, accommodation, meteorological mast installation and removal and decommissioning services in the offshore wind industry. The Cadeler Group's fleet currently consists of two windfarm O-Class vessels in operation, Wind Orca and Wind Osprey (the "Operating O-Class Vessels"), one windfarm S-Class vessel in operation, Wind Scylla (the "Operating S-Class Vessel"), and one windfarm Z-Class vessel in operation, Wind Zaratan (the "Operating Z-Class Vessel" and, together with the Operating O-Class Vessels and the Operating S-Class Vessel, the "Operating Vessels"). In addition, the Cadeler Group has ordered six new builds: two P-Class vessels (previously referred to as X-Class vessels) (the "P-Class New Builds"), two A-Class vessels (previously referred to as F-Class vessels) (the "A-Class New Builds") and two M-Class vessels (the "M-Class New Builds" and together with the P-Class New Builds and the A-Class New Builds, the "New Builds"). Cadeler has also entered into a letter of intent with COSCO SHIPPING Heavy Industry Co. Ltd. ("COSCO"), a Chinese shipyard, for the delivery of a third A-Class New Build. If any of the Operating Vessels or, once delivered, the New Builds are temporarily or permanently taken out of operation, including due to one of the risks described in this Annual Report on Form 20-F materializing, this could result in a loss of revenue that would otherwise be generated by such vessel. In addition to a potential loss of revenue, the Cadeler Group could also be liable to its customers for liquidated damages under any charters the Cadeler Group has entered into with respect to such vessel. The loss of revenue and liability to its charterers could have a material adverse impact on the Cadeler Group's business, prospects and financial results and condition, including its ability to be compliant with the financial covenants pursuant to its financing arrangements.

The Cadeler Group's vessels may be subject to operational incidents and/or the need for upgrades, refurbishments and/or repairs following which such vessels may be out of operation for a shorter or longer period of time. For example, Wind Osprey had a crane accident in 2018 following which the vessel was out of operation for more than a year. This was due in part to the incident and in part to the Cadeler Group's decision to design and procure an upgraded crane boom. The incident resulted in a claim from the charterers of EUR 6.25 million, while the Cadeler Group also lost estimated revenue of approximately EUR 15 million as a result of the vessel being out of operation for more than a year. The majority of the physical damage was covered by insurance. However, the vessel was required to be off-hire during the repair and upgrade process. With a fleet of only two vessels in operation at that time, an incident of this nature reduced the Cadeler Group's earning potential by approximately 50%.

As described in the risk factor entitled "—The Cadeler Group is exposed to hazards that are inherent to offshore operations, and damages may not be covered by insurance," the Cadeler Group experiences smaller breakdowns on an ongoing basis as part of its ordinary course of business. Any future incidents or upgrades could result in similar unavailability of the Cadeler Group's fleet and may result in the Cadeler Group losing market share, being exposed to penalties or missing future contract opportunities as a result of shorter or longer periods of limited or no availability of the Cadeler Group's fleet.

In addition, there is a risk that the delivery of the New Builds ordered by the Cadeler Group could be delayed. The Cadeler Group expects to take delivery of the two P-Class New Builds in the third quarter of 2024 and the second quarter of 2025, respectively, while the two A-Class New Builds on order are currently expected to be delivered in the fourth quarter of 2025 and the second half of 2026, respectively, and the two M-Class New Builds are currently expected to be delivered in the first quarter of 2025 and the fourth quarter of 2025, respectively. The Cadeler Group has contracted with COSCO for the delivery of the P-Class New Builds and the A-Class New Builds, and has entered into a letter of intent with COSCO for the construction of an additional A-Class New Build. At the same time, the Company has contracted with Hanwha Ocean Co., Ltd. (formerly Daewoo Shipbuilding & Marine Engineering Co. Ltd) ("Hanwha") for the construction of the two M-Class New Builds. Any problems that may affect China or Korea, whether geographically or geopolitically, the general availability of components or material needed, or the relevant shipyards could lead to delayed delivery of any or all of the New Builds. For example, the COVID-19 pandemic impacted both China and the global supply chain significantly. Further, there is continuing uncertainty relating to the development of the political climate within China and between China and other countries, including the United States, for example with respect to Taiwan, as well as the global supply chain in general and whether such uncertainty will impact the delivery of the New Builds. Delayed delivery of any or all of the New Builds could delay the Cadeler Group's generation of revenue from the utilization of such vessels and may trigger payments of liquidated damages under any charters the Cadeler Group has entered into with respect to these vessels, which may materially affect the Cadeler Group's business, prospects and financial results and condition. See also "—The ordering, construction and delivery of new build vessels and upgrades of existing vessels is subject to various risks and uncertainties, including forward-looking assessments which could turn out to be incorrect, and requires substantial financing which may not be available at favorable terms or at all."

From time to time, the Cadeler Group's vessels undergo upgrades of various types to remain competitive in the market, to ensure compliance with legal requirements and to implement sustainability-related improvements. Expenditures may be incurred when repairs or upgrades are required by law, in response to an inspection by a governmental authority, when damaged, or because of market or technological developments. Such upgrades, as well as other refurbishment and repair projects, are subject to various risks, including delays and cost overruns, which could, if realized, have an adverse impact on the Cadeler Group's available cash resources, results of operations and its ability to comply with financial covenants pursuant to its financing arrangements. To ensure timely completion of refurbishment and repair projects, the Cadeler Group may be required to allocate extra resources to the relevant project, increasing the cost of the refurbishment or repair. For example, the Cadeler Group has from time to time taken the decision to accelerate work on its vessels by adding additional resources in order to ensure the vessel was ready for its next project on time. Moreover, periods without operations for one or more of the Cadeler Group's vessels may have a material adverse effect on the Cadeler Group's ability to generate revenue and thereby on its business, prospects and financial results and condition.

The Cadeler Group is exposed to hazards that are inherent to offshore operations, and damages may not be covered by insurance.

The Cadeler Group is operating in the offshore industry and is thus subject to inherent hazards, such as breakdowns, technical problems, harsh weather conditions, environmental pollution, force majeure events (nationwide strikes, etc.), collisions and groundings. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. Windfarm installation vessels, including the Cadeler Group's vessels, are also subject to hazards inherent in marine operations, either while on-site or during mobilization, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform or supply goods or services or personnel shortages. For example, the Cadeler Group experienced a crane accident in 2018 following which the vessel involved was out of operation for more than a year causing both a claim from the charterers and lost revenue for the period. Additionally, the Cadeler Group experiences various types of technical breakdowns on an ongoing basis as part of the operation of its vessels; however, such breakdowns are typically of a smaller nature with limited downtime and impact compared to the 2018 crane incident.

The Cadeler Group's vessels are covered by industry standard hull and machinery and protection and indemnity insurance. Standard protection and indemnity insurance for vessel owners provides limited cover for damage to project property during windfarm installation operations, as such damage is expected to be covered by the construction all risks insurance procured by the Cadeler Group's customers. However, in recent years, the Cadeler Group has seen more contracts imposing liability for property damage on contractors such as the Cadeler Group. Such risks are difficult to adequately insure against under standard protection and indemnity insurance for vessel owners. The Cadeler Group has also considered obtaining insurance for loss-of-hire, but has evaluated and considered such insurance not to be commercially viable. As a result, certain damages and losses resulting from the aforementioned hazards may not be covered by insurance.

The Cadeler Group is dependent on the employment and utilization of its vessels, and its backlog of contracts may not materialize.

The Cadeler Group's revenue and income are dependent on project contracts and vessel charters for the employment of its vessels. Typically, these contracts are concluded several years in advance with the terms and conditions not expected to be subject to subsequent change. Additionally, the Cadeler Group has recently experienced a trend towards reservation agreements and contracts being entered into at an earlier stage, which increases the difficulty of capturing the effect of any subsequent changes in circumstances, e.g., due to geopolitical developments and other unforeseen events. In the ordinary course of business, the Cadeler Group continuously seeks to enter into such new contracts for the employment of its vessels. The Cadeler Group has a contract backlog of existing customer contracts that imply revenues in the future, which are referred to as "firm" contracts and/or "options" for such contracts, as applicable. Such contracts and options, and revenues derived therefrom, are subject to various terms and conditions, including certain cancellation events. In addition, the exercise of options is exclusively at the discretion of the relevant customer. Such contracts and options could be subject to termination, amendments and/or delays resulting in revenues being more limited, occurring at a later time or not at all. The Cadeler Group's current customer contracts include express cancellation rights on the part of the customers. Cancellation or termination is generally linked to a penalty or termination fee. Under its customer contracts, the Cadeler Group may also become liable to its customers for liquidated damages if there are delays in delivering a vessel for employment in connection with a project or for delays that arise during the operation of the vessels under the contracts (see also "—The Cadeler Group only has a limited number of vessels and could be adversely impacted if any vessel is taken out of operation, or if there is a delay in delivery of any new build vessel"). As of December 31, 2023, the Cadeler Group's backlog of firm contracts and options amounted to approximately EUR 1,557 million (compared to EUR 780 million as of December 31, 2022), comprising EUR 1,379 million from fixed term contracts and EUR 178 million from options (compared to a split of EUR 653 million from firm fixed term contracts and EUR 127 million from options as of December 31, 2022).

It may also be difficult for the Cadeler Group to obtain future employment for its vessels and, as a result, utilization may decrease. Windfarm installation projects are tendered and awarded at irregular intervals and installation projects in certain locations are seasonal, particularly as a result of weather-related seasonality. Consequently, the Cadeler Group's vessels may need to be deployed on lower-yielding work or remain idle, resulting in periods without any compensation to the Cadeler Group. There can also be off-hire periods as a consequence of accidents, technical breakdown and non-performance, as experienced with the crane accident in 2018 (see "—The Cadeler Group is exposed to hazards that are inherent to offshore operations, and damages may not be covered by insurance") or due to maintenance or upgrades, such as the two Operating O-Class Vessels which were off-hire for approximately six months as a result of the crane upgrades nearing completion as of the date of this Annual Report on Form 20-F.

The cancellation, amendments to or postponement of one or more contracts can have a material adverse impact on the Cadeler Group's revenue and may thus affect the pricing of the Cadeler Shares. For example, the Cadeler Group narrowed its guidance for the financial year ended December 31, 2022 due to upstream delay as a result of a subcontractor on a project being unable to operate as planned. While the Cadeler Group has generally not had a history of cancellations, amendments or postponement of its contracts, there can be no assurance that such cancellations, amendments or postponements will not occur in the future. As the Cadeler Group currently has only four Operating Vessels in its fleet, the Cadeler Group's business, prospects and financial results and condition could be materially impacted if any of these vessels became disabled or otherwise unable to operate for an extended period.

The Cadeler Group faces other contractual and non-contractual legal risks related to its operations, which may expose the Cadeler Group to financial loss.

The Cadeler Group may fail to fulfil its contractual obligations under the customer contracts or other commercial contracts. For example, the Cadeler Group experienced a crane accident in 2018 following which the vessel involved was out of operation for more than a year causing both a claim from the charterers and lost revenue for the period. In addition, the Cadeler Group may be in breach of warranties made to customers if the vessels lack the required specifications or are otherwise unsuitable or unable to perform as required under the relevant contracts. In such cases, the customer contracts could be terminated and/or the Cadeler Group held liable for the relevant charterer's losses.

Contract terms may also not be sufficient to protect the Cadeler Group from liability with respect to installation works. The Cadeler Group could be liable to third parties who are involved or have an interest in the various projects involving the Cadeler Group's vessels. The Cadeler Group may also face claims for damages from customers based on, for example, poor workmanship. Some of these liabilities and/or losses may not be covered by the Cadeler Group's insurance policies or otherwise indemnified.

The ordering, construction and delivery of new build vessels and upgrades to existing vessels is subject to various risks and uncertainties, including forward-looking assessments which could turn out to be incorrect, and requires substantial financing which may not be available at favorable terms or at all.

The Cadeler Group may from time to time order additional new vessels, such as the ordering of the New Builds and the entering into a letter of intent regarding the construction of an additional New Build, upgrades of existing vessels, such as the recent crane upgrades for both Operating O-Class Vessels.

The ordering, construction, supervision and delivery of such new build vessels or upgrades to existing vessels is subject to a number of risks, including the risk of cost overruns and delays. Further, when such vessels or upgraded vessels are delivered, they are subject to market risk at the time of delivery including fulfilling conditions in any pre-committed customer contracts for such vessels or upgraded vessels, and the risk of failure to secure future employment of the new or upgraded vessels at satisfactory rates, which could have a material adverse effect on the financial performance of the Cadeler Group. If the Cadeler Group is not able to procure the New Builds, similar new build vessels or vessel upgrades in the future, this could have an adverse impact on the Cadeler Group's business, prospects and financial results and condition.

The offshore wind installation market is a fast-moving market with a relatively long leadtime on delivery of new build vessels with the specifications needed to bid on, and win, wind farm installation contracts. The Cadeler Group must correctly predict future supply of and demand for wind farm installation vessels and continuously assess the attractiveness of securing a contract for the construction of additional vessels. When making such assessments, the Cadeler Group considers a number of uncertainties and factors, including expected supply and demand (see also "—The Cadeler Group could be materially adversely affected if demand for the Cadeler Group's services is lower than anticipated or decreases, including as a result of oversupply, changing trends in the energy market or a deterioration of the Cadeler Group's market reputation and client relationships"), construction time, the price of construction and the expected development in construction prices, technological development in the offshore wind installation market and financing possibilities. If the Cadeler Group fails to correctly and timely assess the need for placing orders for additional vessels, the Cadeler Group may miss out on attractive contract opportunities due to capacity constraints and lose market share or incur costs of construction without being able to secure contracts for such new build vessels on commercially attractive terms or at all.

Ordering new build vessels will increase capital expenditures (consisting of the purchase price and associated costs) materially and thus requires significant debt or equity financing. The vast majority of the agreed construction costs for the New Builds is fixed. However, some elements of the construction contract pricing are subject to variation. As a result, the total construction costs for the New Builds could increase, and the Cadeler Group may be unable to pass on such higher costs to its customers, which could have an adverse impact on its financial results.

The aggregate capital expenditures for the New Builds are approximately EUR 1.8 billion, of which EUR 437 million has already been paid. The remaining scheduled payments will fall due during the period from 2024 to 2026. In addition, the cost of the recent crane upgrades for the Operating O-Class Vessels has been financed through the New Debt Facility (as defined below) with a term loan of up to EUR 100 million (8.5 year tenor) guaranteed by The Danish Export and Investment Fund of Denmark (EIFO). In connection with the Business Combination, the Cadeler Group acquired the New Credit Facility (as defined below) which finances approximately 65% of the purchase cost of the M-Class New Builds. On December 22, 2023, Cadeler and two of its subsidiaries, WIND N1064 Limited and WIND N1063 Limited, entered into a Sinasure-backed green term loan facility of up to EUR 425 million (12 year tenor) to finance the purchase of the P-Class New Builds (the “P-Class Facility”). Further financing will be required from 2025 in connection with milestone payments for the A-Class New Builds. The Cadeler Group’s management expects to require approximately EUR 450 million of additional funding for the A-Class New Builds. Cadeler currently has a letter of intent in place for the order of one additional A-Class New Build. There can be no guarantee that the financing of such new builds and any future upgrades can be obtained on attractive terms or at all. If the required financing is not obtained, the Cadeler Group may default on its obligations and be liable towards the relevant yard and/or other suppliers of goods and services related thereto, and the Cadeler Group may not be able to expand its fleet and thereby maintain its competitive position. The Cadeler Group may seek to obtain the required financing through capital markets or debt financing. Should the Cadeler Group not be able to secure the needed financing, in part or in whole, for example due to unattractive terms such as unfavorable interest rates, the Cadeler Group may be required to postpone future investments (including orders for new build vessels). If, in connection with an equity financing, the demand for or price of the Cadeler Shares is lower than historically experienced, this could result in significant dilution of the shareholding of existing holders of Cadeler Shares (the “Cadeler Shareholders”) and a decrease in the price of the Cadeler Shares.

The Cadeler Group typically derives its revenue from a small number of customers, and the loss or default of any such customer could result in a significant loss of revenue and adversely affect the Cadeler Group’s business.

The Cadeler Group has historically had a high customer concentration as a result of the small number of vessels in its fleet and the typical duration of its projects. For example, in 2022 and 2023, the entirety of the Cadeler Group’s revenue was generated from a small number of customers. As of December 31, 2023, the Cadeler Group’s backlog comprised ten customers. Consequently, if the Cadeler Group loses any of its most significant customers or any of them fail to pay for the services provided by the Cadeler Group or enters into bankruptcy, the Cadeler Group’s revenue could be materially adversely affected. The loss of one or more significant customers, or a decline in the number of projects or consideration paid for the Cadeler Group’s services under the Cadeler Group’s contracts with significant customers, would affect the Cadeler Group’s revenue and cash flow, and could have a material adverse effect on the Cadeler Group’s business, prospects and financial results and condition. Additionally, any delay of a project for one or more of the Cadeler Group’s most significant customers could affect the Cadeler Group’s revenue, the utilization of its vessels and potentially the ability to fulfil other contracts. Many of the Cadeler Group’s contracts contain options for additional work, which, if exercised, would generate additional revenue. If such options are not exercised to the extent the Cadeler Group expects based on its historic experience, the Cadeler Group’s revenue could be substantially lower than anticipated.

The Cadeler Group has identified material weaknesses in internal control over financial reporting. If the Cadeler Group fails to maintain an effective system of internal control over financial reporting, it may not be able to accurately report financial results in a timely manner or prevent fraud, which may adversely affect its business and the market price of the Cadeler ADSs and Cadeler Shares.

In connection with the audits of its financial statements for the years ended December 31, 2023, 2022 and 2021, the Cadeler Group and its independent registered public accounting firm have identified material weaknesses related to the Cadeler Group’s internal control over financial reporting driven by (i) a lack of formalized risk assessment and documented procedures in relation to the Company’s business processes and entity level controls, lack of evidence of performing internal controls including the completeness and accuracy of information used in the execution of controls, and lack of monitoring control activities, and (ii) lack of internal controls over change management and access management in the relevant financial information technology (“IT”) systems required to support effective internal control framework. The Cadeler Group believes that these material weaknesses continue to exist as of the date hereof.

As defined in the standards established by the U.S. Public Company Accounting Oversight Board (“PCAOB”), a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Cadeler Group’s annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relate to existing processes to assess risk and to design and implement effective control activities. In particular, the Cadeler Group does not have formalized risk assessment, oversight and compliance processes or formalized control descriptions for all key controls. Where process and control descriptions do exist, they do not necessarily include all relevant information to enable the operating effectiveness of such controls. Where control activities are dependent on IT applications or certain information or reports, currently there are no documented internal controls to assess the completeness and accuracy of such information. The Cadeler Group also does not currently monitor control activities and identified control deficiencies; thus, the Cadeler Group is unable to evaluate whether other deficiencies, individually or in combination, result in a reasonable possibility that a material misstatement of the financial statements would not be prevented or detected on a timely basis.

The Cadeler Group has recently initiated steps aimed at remediation of the identified material weaknesses and strengthening of internal controls over financial reporting such as development and implementation of formal processes, internal controls (including IT general controls covering access and change management as well as cyber risks), and documentation relating to financial reporting and expects this project to be completed in the first half of 2024, with the updated internal control framework to begin operating in the first half of 2024, although the project may take longer than currently expected. The remediation plan and actions that the Cadeler Group is taking are subject to ongoing executive management review and will also be subject to audit committee oversight.

However, the Cadeler Group’s remediation plan and related actions may not fully address the material weaknesses identified in its internal controls over financial reporting and the Cadeler Group cannot guarantee that it will be successful in remediating the material weaknesses it has identified to date. A failure to remediate such material weaknesses or a failure to discover and address any other material weaknesses or significant deficiencies in the future could result in inaccuracies in the Cadeler Group’s consolidated financial statements and impair its ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis.

Management’s certification under Section 404 of the U.S. Sarbanes Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”), is included in Item 15 of this Annual Report on Form 20-F. In addition, once the Cadeler Group ceases to be an “emerging growth company,” as such term is defined in Section 2(a)(19) of the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), the Cadeler Group’s independent registered public accounting firm will attest to and report on the effectiveness of the Cadeler Group’s internal control over financial reporting. Currently, the Cadeler Group expects that independent registered public accounting firm attestation requirement to be applicable beginning with its Annual Report on Form 20-F for the year ending December 31, 2024.

The Cadeler Group has recently become a public company, and its reporting obligations may place a significant strain on management, operational and financial resources, and systems for the foreseeable future. The Cadeler Group may be unable to timely complete its evaluation testing and any required remediation. As a result, the Cadeler Group anticipates investing significant resources to enhance and maintain its financial controls, reporting system and procedures over the coming years.

While documenting and testing internal control procedures, in order to satisfy the future requirements of Section 404 as applicable to the Cadeler Group, the Cadeler Group may identify other weaknesses and deficiencies in internal control over financial reporting. If the Cadeler Group fails to maintain the adequacy of its internal controls over financial reporting, as these requirements are modified, supplemented or amended from time to time, management may not be able to conclude on an ongoing basis that the Cadeler Group has effective internal control over financial reporting in accordance with Section 404.

Generally, the failure to achieve and maintain an effective internal control environment could result in material misstatements in the Cadeler Group’s financial statements and could also impair the Cadeler Group’s ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, the Cadeler Group’s business, prospects and financial results and condition, as well as the trading price of Cadeler Shares and Cadeler ADSs, may be materially and adversely affected.

The Cadeler Group is dependent on technical, maintenance, transportation and other commercial services from third parties.

The Cadeler Group is and will continue to be dependent on technical, maintenance, transportation and other commercial services from third parties to manage its vessels and fulfil its contractual obligations. Performance by such service providers is critical. If third-party service providers, such as those involved in assisting the Cadeler Group in seafastening design, fabrication, installation and various technical services, fail to perform at an optimal level, this could materially and adversely affect the Cadeler Group's ability to complete its contracts, as well as its business, prospects and financial results and condition, including its ability to be compliant with the financial covenants under its financing arrangements. For example, the Cadeler Group experienced a third-party supplier being delayed in connection with the repair following Wind Osprey's crane accident in 2018, which extended the downtime period. Additionally, the Cadeler Group narrowed its guidance for the financial year ended December 31, 2022 due to upstream delay as a result of a subcontractor on a project being unable to operate as planned. If the amount the Cadeler Group is required to pay for subcontractors, equipment or supplies exceed what has been estimated, the profitability of the commercial employment of its vessels may be adversely affected. If a subcontractor, supplier, or manufacturer fails to provide services, supplies or equipment as required under a contract for any reason, the Cadeler Group may be required to source such services, supplies or equipment from other third parties, which could lead to delays or higher prices than anticipated.

The Cadeler Group relies on third-party contractors, suppliers, vendors, joint venture partners and other parties for the engineering design, procurement of materials, equipment, and services for the performance of work on the Cadeler Group's projects. The successful completion of these projects depends on the ability of these third parties to perform their contractual obligations and is subject to factors beyond the Cadeler Group's control, including actions or omissions by these parties and their subcontractors. Any non-performance, or a failure by such third parties to perform their contractual obligations to a satisfactory standard could result in delays to the planned project timelines, which could in turn result in late penalties or fines being imposed on the Cadeler Group.

The Cadeler Group could be materially adversely affected by increased supply of offshore wind farm installation services as a result of new competitors entering the market or existing competitors expanding their fleet of suitable vessels.

The industry in which the Cadeler Group operates is in management's view characterized by a limited supply of efficient offshore wind farm installation services as a limited number of vessels are available and fit for the specific needs of, and trusted by, customers. Consequently, it may be difficult or expensive for customers of the Cadeler Group to find efficient alternative suppliers for their contracts in the near term, and it may be even more difficult for customers in the long term to find trusted suppliers of efficient offshore wind farm installation vessels once the new generation of larger turbines (capable of producing 15-20MW of electricity) is being rolled out, which the Cadeler Group expects will occur towards the end of the current decade. Since supply of offshore wind farm installation services depends on the number of vessels dedicated to such services, market conditions may change significantly if one or multiple existing or new competitors of the Cadeler Group were to order new build vessels or modify existing vessels to fit the future needs of the offshore wind farm industry. It is the Cadeler Group's assessment that over the past decade there has been a general increase in the number of players active in the wind farm industry. Should similar developments occur in the market for offshore wind farm installation, the Cadeler Group may experience increased competition. Any increase in the supply of offshore wind farm installation services may result in a decrease in the prices that the Cadeler Group is able to obtain for its services. As the Cadeler Group currently only operates within the market for offshore wind farm transportation, installation and maintenance, it is more exposed to any changes in prices within the industry or utilization of its vessels compared to those of its competitors having multiple sources of revenue. See also "—The Cadeler Group faces competition from industry participants who may have greater resources than the Cadeler Group."

The Cadeler Group could be materially adversely affected if demand for the Cadeler Group's services is lower than anticipated or decreases, including as a result of oversupply, changing trends in the energy market or a deterioration of the Cadeler Group's market reputation and client relationships.

The Cadeler Group relies on revenue generated from windfarm installation and related maintenance. The lack of diversification in Cadeler's sources of revenue makes the Cadeler Group vulnerable to adverse developments or periods of low demand in the market in which it operates. The demand for the Cadeler Group's services may be volatile and is subject to variations for a number of reasons, including uncertainty in future demand and regulatory changes. For example, the U.K. market for offshore wind energy has recently experienced certain challenges, including delays in relevant supply chains and government approvals, which could adversely affect the number of projects in that market in the future, and there is a risk that similar challenges also affect other countries. In case of delays on multiple projects, it may be difficult for the Cadeler Group to adapt, which would impact its revenue stream but also potentially compliance with its financing covenants. Due to the fact that the Cadeler Group invests in capital assets with life-spans of approximately 25 years and that market visibility beyond 10 years is difficult to estimate, the Cadeler Group's long-term performance and growth depend heavily on the supply of vessels relative to market demand. Any oversupply of vessels compared to the market demand for such vessels or similar capacity could cause contract rates to decline, and falling rates could materially adversely affect the Cadeler Group's financial performance and results of operations. As the Cadeler Group's vessels are highly specialized for windfarm installation, redeploying them to other sectors of the marine industry may be difficult or impossible to achieve, both practically and commercially.

The wind energy market is affected by the price and availability of other energy sources, including nuclear, coal, natural gas and oil, as well as other sources of renewable energy. To the extent renewable energy, particularly wind energy, becomes less cost-competitive due to reduced government targets, increases in the cost of wind energy, new regulations or incentives that favor alternative renewable energy, cheaper, more efficient or otherwise more attractive alternatives or otherwise, demand for wind energy and other forms of renewable energy could decrease. Slow growth or a long-term reduction in the demand for wind energy could in turn reduce the demand for the Cadeler Group's services, which could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

In addition, market reputation and customer relationships are key factors to securing contracts and establishing long-lasting customer relations. For example, it is the Cadeler Group's assessment that its market reputation and customer relationships have enabled the Cadeler Group to secure contracts for its New Builds before they are delivered. Adverse changes to the Cadeler Group's customer relations or market reputation could result in a decrease in demand for the Cadeler Group's services, resulting in a significant loss of revenue and adversely affecting the Cadeler Group's business including the ability to secure future contracts.

The Cadeler Group faces competition from industry participants who may have greater resources than the Cadeler Group.

The markets in which the Cadeler Group operates are competitive and the Cadeler Group's business is subject to risks associated with competition from new and existing industry participants. The Cadeler Group has a number of well-established competitors, including DEMA Offshore, Jan de Nul (both Belgium-headquartered), Fred. Olsen (UK-headquartered) and Van Oord (Netherlands-headquartered). In addition, there are a growing number of players with specialist vessels on order. Seaway7, Dominion Energy, Maersk and Havfram, for example, each has a newbuild vessel (or vessels) either on order or currently under construction. These companies will directly compete (and in a number of cases are already directly competing) with the Cadeler Group in tenders for wind foundation and turbine installation projects. There can be no assurances that the Cadeler Group will be able to maintain or improve its competitive position or continue to meet changes in the competitive environment, including when entering new markets. In addition, certain of the Cadeler Group's competitors may have more resources and better access to capital than the Cadeler Group. For example, new and existing competitors may have greater financial resources, customer support, technical and marketing resources, larger customer bases, longer operating histories, greater name recognition or more established relationships in the industry. These industry participants compete with the Cadeler Group based on, among other things, price, service portfolio, technology, location and vessel availability. There is no assurance that the Cadeler Group will have the resources and expertise to compete successfully in the future, that it will be able to succeed in the face of current or future competition, or that it will be successful when entering new markets. Increased competition in the markets where the Cadeler Group operates or which it may enter could lead to reduced profitability and/or future growth opportunities for the Cadeler Group. The failure of the Cadeler Group to secure future growth, maintain or improve its competitiveness and respond to increased competition may have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

Technological progress might render the technologies used by the Cadeler Group obsolete or less profitable.

The offshore wind sector in which the Cadeler Group operates is affected by constant technological development. To maintain a successful and profitable business, the Cadeler Group must keep pace with technological developments and changing standards to meet the evolving demands of existing and potential customers. For example, the Cadeler Group is dependent on its ability to improve existing services and installation vessels to meet future demand and anticipate and respond to major changes in technology and industry standards. If the Cadeler Group fails to adequately respond to the technological changes in its industry, make the necessary capital investments, or is not suited to offer commercially competitive products and implement commercially competitive services, the Cadeler Group's business, prospects and financial results and condition may be adversely affected.

Competitors' vessels have previously become obsolete due to the growth in the size of turbines only 10 years into their lifespan. Although the Cadeler Group seeks to build vessels that can be upgraded, as demonstrated by the recent crane upgrades to its two Operating O-Class Vessels, there is no certainty that such vessels will remain viable for the entirety of their planned 25-year lifespan. In addition, as the vessels are unique to the wind industry, they cannot easily be repurposed for use in other segments of the marine industry. A movement towards other energy sectors or the development of new technology could render the Cadeler Group's vessels obsolete, and the Cadeler Group may not be able to secure alternative contracts or revenue on attractive terms, if at all.

Future customer contracts may not be obtained at all, or on materially different terms than described herein.

While the Cadeler Group has previously entered into vessel reservation agreements, preferred bidder agreements and letters of intent for contracts with customers, there can be no assurance that such vessel reservation agreements, preferred bidder agreements or letters of intent will actually result in customer contracts and revenue for the Cadeler Group, or if such contracts are entered into, that they will be entered into on the terms expected by the Cadeler Group. Although the Cadeler Group's vessel reservation and preferred bidder agreements typically contain clauses providing for the payment of customary compensation to the Cadeler Group should such agreements not result in a firm contract in line with market practice, there can be no assurance that such compensation will be paid if and to the extent owed. Additionally, many of the Cadeler Group's contracts include options exercisable in the sole discretion of the relevant customer, and there can be no assurance that such options will be exercised and result in additional revenue being realized.

Expected and/or estimated contract terms as indicated in this Annual Report on Form 20-F regarding specifications, commercial terms and delivery schedules are only current estimates by the Cadeler Group, and may end up being materially different than expected (if such contracts are entered into at all).

The Cadeler Group operates across multiple jurisdictions and is thereby exposed to a number of risks inherent in international operations, including political, civil or economic disturbance.

The Cadeler Group operates in multiple jurisdictions and serves a wide range of customers. As a result, the Cadeler Group is exposed to risks that are inherent to conducting international operations, some of which are due to factors beyond the Cadeler Group's control, including:

- terrorist acts, war, civil disturbances and military actions;
- seizure, nationalization or expropriation of property or equipment;
- political unrest or revolutions;
- acts of piracy;
- actions by environmental organizations;
- public health threats, and outbreaks of contagious diseases and pandemics;
- global warming and extreme weather events;
- restrictions on the ability to repatriate income or capital;
- complications associated with repairing and replacing vessels and equipment in remote locations;
- delays or difficulties in obtaining necessary visas and work permits for employees;
- wage and price controls imposed by the relevant authorities; and
- the imposition of trade barriers, moratoriums or sanctions and other forms of government regulation.

Some of these risks could limit or disrupt the Cadeler Group's operations (for example, by requiring or resulting in the evacuation of personnel, cancellation of contracts, or the loss of personnel, vessels or assets), impose practical or legal barriers to the Cadeler Group's continued operations, or negatively impact the profitability of those operations, and could therefore have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group is exposed to risks related to macroeconomic factors and geopolitical conditions.

The Cadeler Group is exposed to macroeconomic factors and geopolitical conditions. The international macroeconomic situation is currently characterized by material uncertainty, mainly due to the elevated levels of public debt in many of the leading global economies, increasing interest and inflation rates, the war in Ukraine, the imposition of sanctions against Russia, conflict in the Middle East, European energy crises and global supply-chain constraints. For example, the Cadeler Group has contracted with COSCO, a Chinese shipyard, for the delivery of the New Builds, and any problems that may affect China, whether geographically or geopolitically, the general availability of components or material needed, or the shipyard itself could lead to delayed delivery of any or all New Builds (see also “—The Cadeler Group only has a limited number of vessels and could be adversely impacted if any vessel is taken out of operation, or if there is a delay in delivery of any new build vessel” and “—The ordering, construction and delivery of new build vessels and upgrades of existing vessels is subject to various risks and uncertainties, including forward-looking assessments which could turn out to be incorrect, and requires substantial financing which may not be available at favorable terms or at all”). These macroeconomic conditions have had, and continuation or further worsening of these conditions could continue to have, material effects on the global economy and capital markets and could have material adverse effects on the Cadeler Group, its business, prospects and financial results and condition. Additionally, geopolitical tensions may have an impact on the future prospects of the markets in which the Cadeler Group operates and may increase the risks associated with the Cadeler Group's operations.

On January 31, 2020, the United Kingdom withdrew from the EU (commonly known as “Brexit”). The Cadeler Group has a number of upcoming contracts in U.K. waters, which could be threatened or complicated due to the effects of Brexit. Furthermore, the United Kingdom is one of the largest markets in Europe for offshore wind and restrictions on market access could damage the Cadeler Group's backlog and future revenue prospects. Brexit could therefore materially adversely affect the Cadeler Group's business and customers.

If Cadeler's vessels operate in countries or territories that are subject to restrictions, sanctions, or embargoes imposed by the U.S. government, the European Union, the United Nations, or other governments, it could lead to monetary fines or other penalties and adversely affect Cadeler's reputation and the market for its shares and trading price.

Although Cadeler does not expect that its vessels will operate in countries or territories subject to country-wide or territory wide sanctions or embargoes imposed by the U.S. government and other authorities in violation of applicable sanctions laws, and Cadeler endeavors to take precautions reasonably designed to mitigate the risk of such activities, it is possible that such vessels may call on ports located, and/or otherwise, operate in countries or territories subject to such sanctions, including on charterers' instructions and/or without Cadeler's consent. In addition, certain of Cadeler's New Builds are being built in China, which depending on the developments in the geopolitics environment in that region, may further expose Cadeler to certain restrictions. Similarly, Cadeler's supply chain for spare parts for the vessels or secondary steel deliveries needs to be monitored closely and may be limited due to these restrictions, which could result in Cadeler not being able to source such spare parts from certain suppliers.

Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties, contract terminations and have an adverse effect on the Cadeler Group's business.

The Cadeler Group operates in a number of countries throughout the world, including countries known to have a reputation for corruption. The Cadeler Group is committed to doing business in accordance with applicable anti-corruption laws including the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), U.K. Bribery Act, the Danish Criminal Code and other applicable anti-corruption laws. The Cadeler Group is subject, however, to the risk that Cadeler, its affiliated entities or its officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA and U.K. Bribery Act. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions, and might adversely affect the Cadeler Group's business, prospects and financial results and condition. In addition, actual or alleged violations could damage Cadeler's reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and has the potential to consume significant time and attention of Cadeler's senior management.

Breakdowns in the Cadeler Group's information technology and/or noncompliance with data protection laws could negatively impact the Cadeler Group's business, including its ability to service customers.

The Cadeler Group's ability to operate its business and service its customers is dependent on the continued operation of the Cadeler Group's IT systems, including those relating to the location, operation, maintenance and employment of the Cadeler Group's vessels. The Cadeler Group's IT systems could be compromised by a malicious third party or employee (see also "—A cybersecurity attack could materially disrupt the Cadeler Group's business"), man-made or natural events, or the inadvertent actions or inactions by the Cadeler Group's employees and third-party service providers. If the Cadeler Group's IT systems experience a breakdown, the Cadeler Group's business information could be lost, destroyed, disclosed, misappropriated, altered or accessed without consent, and the Cadeler Group's IT systems, or those of its service providers, may be disrupted.

Any breakdown in the Cadeler Group's IT systems could lead to lost revenues resulting from a loss in competitive advantage due to the unauthorized disclosure, alteration, destruction or use of proprietary information, the failure to retain or attract customers, the disruption of critical business processes or IT systems and the diversion of management's attention and resources. In addition, such breakdown could result in significant remediation costs, including repairing system damage, engaging third-party experts, deploying additional personnel, training employees and compensation or incentives offered to third parties whose data has been compromised. The Cadeler Group may also be subject to legal claims or legal proceedings, including regulatory investigations and actions, and the attendant legal fees as well as potential settlements, judgments and fines.

In addition, data protection laws apply to the Cadeler Group in certain countries in which it does business. Specifically, the EU General Data Protection Regulation ("GDPR") imposes penalties of up to a maximum of 4% of global annual turnover for breaches thereof. The GDPR requires mandatory breach notification, the standard for which is also followed outside the EU (particularly in Asia). Non-compliance with data protection laws could expose the Cadeler Group to regulatory investigations, which could result in fines and penalties. In addition to imposing fines, regulators may issue orders to stop processing personal data, which could disrupt operations. The Cadeler Group could also be subject to litigation from persons or corporations allegedly affected by data protection violations. Any violation of these laws or harm to the Cadeler Group's reputation could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

A cybersecurity attack could materially disrupt the Cadeler Group's business.

The efficient operation of the Cadeler Group's business, including processing, transmitting and storing electronic and financial information, is dependent on computer hardware and software systems. IT systems are vulnerable to security breaches by computer hackers and cyber terrorists. The Cadeler Group relies on industry accepted security measures and technology (including a cloud-based solution provided by Microsoft including their E5 security suite) to securely maintain confidential and proprietary information maintained on its information systems. However, such measures and technology may not adequately prevent security breaches. Therefore, the Cadeler Group's operations and business administration could be targeted by individuals or groups seeking to sabotage or disrupt such systems and networks, or to steal data, and as a result these systems may be damaged, shut down or cease to function properly (whether due to planned upgrades, force majeure, telecommunications failures, hardware or software break-ins or viruses, other cybersecurity incidents or otherwise), which could have a material adverse effect on the Cadeler Group's reputation as well as its business, prospects and financial results and condition.

Cybersecurity attacks may result in disruptions to the Cadeler Group's operations or in business data being temporarily unreadable, and cyber criminals may demand ransoms in exchange for de-encrypting such data. As cybersecurity attacks become increasingly sophisticated, and as tools and resources become more readily available to malicious third parties, there can be no guarantee that the Cadeler Group's actions, security measures and controls designed to prevent, detect or respond to intrusion, to limit access to data, to prevent destruction or alteration of data or to limit the negative impact from such attacks, can provide absolute security against compromise. Even without actual breaches of information security, protection against increasingly sophisticated and prevalent cybersecurity attacks may result in significant future prevention, detection, response and management costs, or other costs, including the deployment of additional cybersecurity technologies, engaging third-party experts, deploying additional personnel and training employees. Further, as cybersecurity threats are continually evolving, the Cadeler Group's controls and procedures may become inadequate, and the Cadeler Group may be required to devote additional resources to modify or enhance its systems in the future. Such expenses could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

A successful cybersecurity attack could materially disrupt the Cadeler Group's operations or result in the unauthorized release or alteration of information in the Cadeler Group's systems, particularly if the Cadeler Group's IT systems were affected for extended periods. Any cybersecurity attack could also result in significant expenses to investigate and repair security breaches or system damages and could lead to litigation, fines, other remedial action, heightened regulatory scrutiny, diminished customer confidence and damage to the Cadeler Group's reputation. The Cadeler Group does not currently maintain cyber-liability insurance to cover such losses. As a result, a cybersecurity attack or other breach of any such IT systems could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group is subject to restrictive covenants and conditions pursuant to its financing agreements.

The Cadeler Group has entered and will in the future enter into debt financing agreements, including, but not limited to, the Debt Facility, the Holdco Facility, the P-Class Facility and the New Debt Facility (as defined below). See also Item 5.B. "Liquidity and Capital Resources—Financing Arrangements" of this Annual Report on Form 20-F. Such agreements and arrangements contain many terms, conditions and covenants that may be challenging to comply with, restrict the Cadeler Group's ability to obtain new debt or other financing and/or restrict the Cadeler Group's freedom to operate.

For instance, there are specific financial covenants in the Debt Facility with respect to the minimum liquidity of the Cadeler Group, fair market value of the Operating O-Class Vessels and equity ratio of the Cadeler Group. Similar financial covenants are included in the New Debt Facility, which also includes a financial covenant with respect to working capital. Failure to meet any of these covenants could trigger the mandatory repayment of the Debt Facility and may thus have an adverse effect on the financial position of the Cadeler Group. Additionally, the Debt Facility, the Holdco Facility and the P-Class Facility each are subject to certain change of control provisions and contain covenants restricting the payments of dividends.

Since the Cadeler Group currently only has four Operating Vessels in operation, its ability to be compliant with financial covenant requirements pursuant to its financing arrangements will to a great extent depend on the market value of these vessels and their ability to generate revenue until the Cadeler Group's ordered New Builds are delivered. If future cash flows are insufficient to meet all of the Cadeler Group's financial obligations and contractual commitments, any such insufficiency could negatively impact the Cadeler Group's business. To the extent that the Cadeler Group is unable to repay any indebtedness as it becomes due or at maturity, the Cadeler Group may need to refinance its debt, raise new debt, sell assets or repay the debt with proceeds from equity offerings.

The Cadeler Group's indebtedness could affect the Cadeler Group's future operations, since a portion of the Cadeler Group's cash flow from operations will be dedicated to the payment of interest and principal on such indebtedness and will not be available for other purposes. Covenants may or will require the Cadeler Group to meet certain financial tests and non-financial tests, which may affect the Cadeler Group's flexibility in planning for, and reacting to, changes in its business or economic conditions, and may limit the Cadeler Group's ability to dispose of assets or place restrictions on the use of proceeds from such dispositions. Such covenants may also limit the Cadeler Group's ability to withstand current or future economic or industry downturns, to compete with others in the Cadeler Group's industry for strategic opportunities, or to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes. See also "—Risks Related to the Business Combination—As a result of the Business Combination, the *Cadeler Group* faces financial risk due to its level of indebtedness."

Litigation proceedings could have a material adverse impact on the business, prospects and financial results and condition of the Cadeler Group.

The nature of the business of the Cadeler Group from time to time results in clients, subcontractors, employees/manning agencies or vendors claiming, among other things, recovery of costs related to accidents, contracts and projects. The crane accident in 2018 on Wind Osprey, for example, resulted in a claim from the charterers of EUR 6.25 million as well as personal injury claims by four seafarers involved in the accident. The outcome of these claims is uncertain. Should any of the Cadeler Group's vessels experience or be involved in any future incidents of a similar nature, the Cadeler Group may be subject to further claims and litigation. Litigation outcomes are unpredictable and may result in reputational damage as well as fines, penalties or other sanctions imposed by governmental authorities or general damages payable by the Cadeler Group in respect of third-party claims such as for example, personal injury claims, employment related claims or property damage.

As part of the Cadeler Group's windfarm installation operations, it manages large, high-value components. In addition, as the Cadeler Group takes on full-service foundations projects (such as the Hornsea 3 offshore wind farm in the UK), it is exposed to an increasingly complex scope of work encompassing technical design, engineering and construction. Any claims from its clients, subcontractors or vendors resulting from damage to component parts while within the Cadeler Group's control, or defects in construction works carried out by the Cadeler Group, may be significant and could also require extensive resources to assess and defend the Cadeler Group against potential claims and litigation, including under professional liability or warranty obligations, which could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group's insurance coverage may be inadequate to protect the Cadeler Group from liabilities that could arise in its business.

Although the Cadeler Group maintains insurance coverage against certain risks related to its business, risks may arise for which the Cadeler Group is not insured, or which are outside the scope of its existing insurance coverage. In addition, claims covered by insurance are subject to deductibles, the aggregate amount of which could be material, and certain policies impose caps on coverage or certain carve-outs. Insurance policies are also subject to compliance with certain conditions, the failure of which could lead to a denial of coverage as to a particular claim or the voiding of a particular insurance policy. There can be no assurance that existing insurance coverage will be renewed at commercially reasonable rates or that available coverage will be adequate to cover future claims. If a loss occurs that is partially or completely uninsured, or the carrier is unable or unwilling to cover the Cadeler Group's claim with respect to such loss, the Cadeler Group could be exposed to substantial liability. Further, to the extent that the proceeds from its insurance are not sufficient to repair or replace a damaged asset, the Cadeler Group would be required to expend funds to supplement the insurance proceeds and in certain circumstances may decide that such expenditures are not justified, which, in either case, could adversely affect the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group faces risks related to recruiting and retaining key personnel, and any loss of senior management or failure to recruit or retain highly skilled personnel could have a material adverse effect on the Cadeler Group's operations.

The Cadeler Group's continued success is largely dependent on its ability to recruit, retain and develop skilled personnel for its business. The market for qualified personnel is highly competitive and the Cadeler Group cannot be certain that it will be successful in attracting and retaining key personnel and crewing its vessels in the future. If the Cadeler Group loses any members of its senior management or other key individuals, or fails to hire, train and retain qualified employees, it may not be able to compete effectively and may have increased incident rates as well as regulatory and other compliance failures, which could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition. Difficulty in hiring and retaining qualified personnel could also adversely affect the Cadeler Group's results of operations.

If key employees depart because of uncertainty about their future roles (whether as a result of the recent Business Combination or otherwise), the Cadeler Group's business, prospects and financial results and condition could be materially and adversely affected.

The Cadeler Group is exposed to counterparty credit risks relating to its key customers and certain other third parties.

The Cadeler Group is subject to risks of loss resulting from the non-payment or non-performance by third parties of their obligations. Although the Cadeler Group monitors and manages counterparty risks, some of the Cadeler Group's customers and other counterparties may be highly leveraged and subject to their own operating, financial and regulatory risks. For example, some of the Cadeler Group's contractual counterparts are special purpose vehicles created for the purpose of carrying out a specific offshore wind farm project. These special purpose vehicles typically have limited assets or capital, and the Cadeler Group is not always able to obtain parent or third-party performance or financial guarantees for such counterparts' obligations. During periods of more challenging market environments, the Cadeler Group will be subject to an increased risk of customers seeking to repudiate contracts. The ability of the Cadeler Group's customers to perform their contractual obligations may also be adversely affected by restricted credit markets and economic downturns. Any bankruptcy, insolvency or inability by the Cadeler Group's customers affecting their ability to settle their debts or honor their obligations to the Cadeler Group when they fall due may adversely affect the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group may fail to comply with applicable environmental laws and regulations, which could have an adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group's operations are subject to a variety of laws, regulations, and requirements controlling the discharge of various materials into the environment, requiring removal and clean-up of materials that may harm the environment, controlling carbon dioxide emissions, or otherwise relating to the protection of the environment in the countries in which the Cadeler Group operates. Such laws, regulations and requirements vary from jurisdiction to jurisdiction and the operations of the Cadeler Group may be negatively affected by changes in environmental laws and other regulations that can result in large expenses including modification of vessels and changes in the operation of vessels. A lack of harmonisation globally in relation to environmental, social and governance ("ESG") reform and the different pace at which legislators and regulators across the globe operate creates uncertainty and the risk of fragmentation. New ESG regulation affects how the Cadeler Group can conduct its business as the compliance requirements increase.

Despite the Cadeler Group's commitment to meet the environmental and other ESG requirements for the operation of its vessels, there is a risk that the Cadeler Group fails to comply with applicable laws and regulations. Non-compliance with environmental laws and regulations in any of the jurisdictions in which the Cadeler Group operates may result in increased costs, material fines, penalties, possible revocation of ability to do business or contract termination and could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group may face increasing scrutiny related to environmental, social and governance as well as sustainability matters that may impact its business.

Recent years have seen an increase in investor and regulatory attention to ESG, including diversity and inclusion, environmental stewardship and transparency. A lack of harmonization globally in relation to ESG reform and the different pace at which legislators and regulators across the globe operate creates uncertainty and the risk of fragmentation. On March 6, 2024, the SEC adopted final rules for U.S. public companies that mandate significant new disclosures relating to climate-related risks, Scope 1 and Scope 2 greenhouse gas emissions and climate-related financial metrics. These rules, with which the Company will be required to comply when they become effective, impose to a certain extent different obligations than the Corporate Sustainability Reporting Directive adopted by the EU in January 2023. Failure by the Cadeler Group to comply with or meet applicable legal and regulatory requirements or stakeholder or market expectations in relation to ESG matters, or if the Cadeler Group is perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may expose the Cadeler Group to reputational damage, fines and other sanctions and its business and financial condition could be materially and adversely affected. Increasing attention to climate change, including the increasing societal expectations on businesses to address climate change, may result in increased costs, reduced profits, increased investigations and litigation, and negative impacts on the Cadeler Group's ability to access capital markets.

While the Cadeler Group may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) to improve its ESG profile or to respond to stakeholder expectations, such initiatives may be costly and may not achieve the desired effect. For example, the Cadeler Group has set high standards and ambitions for its environmental responsibility, including its goal to run a carbon-neutral business by 2035. Achieving these goals will require emission reductions across the fleet, innovations in operations as well as research into reliable solutions for sequestering the greenhouse gases that the Cadeler Group cannot avoid emitting. Despite its efforts, there is a risk that the Cadeler Group will fail in meeting its environmental goals, for example due to failed technological advancements and failure in developing more eco-friendly vessels.

Expectations around the Cadeler Group's management of ESG matters continue to evolve rapidly, in many instances due to factors that are out of the Cadeler Group's control. If the Cadeler Group fails to, or is perceived to fail to, comply with or advance certain ESG initiatives (including the timeline and manner in which initiatives are completed), it may be subject to various adverse impacts, including reputational damage, allegations of "greenwashing" and potential stakeholder engagement and/or litigation, even if such initiatives are currently voluntary.

The Cadeler Group is subject to risks related to tax, including the applicability of tonnage taxation, and to changes in tax laws

Tax laws, regulations and treaties are highly complex and subject to interpretation. Consequently, the Cadeler Group is subject to changing tax laws, regulations and treaties in and between the countries in which it operates. Cadeler applies the tonnage tax scheme in Denmark for the vessels owned by the Cadeler Group. Under the Danish tonnage tax scheme, ship-owners (or bareboat charters) pay a fixed amount per net tonne at their disposal, rather than being taxed under a conventional corporate tax regime where a taxable income is calculated based on taxable revenue less tax-deductible expenses, depreciations and amortizations. As certain of the Cadeler Group's vessels are registered in Cyprus and owned by subsidiaries organized in Cyprus, the Cadeler Group is also subject to tonnage taxation in Cyprus. In addition, certain of Cadeler's subsidiaries are resident for taxation purposes in the United Kingdom and so are subject to corporation tax in the United Kingdom on their income. However, these subsidiaries have significant deferred tax assets for United Kingdom tax purposes (generated prior to Cadeler's acquisition of such subsidiaries) that Cadeler expects will be available, subject to the operation of the United Kingdom's rules restricting the use of carried-forward losses, to offset the United Kingdom corporation tax that would otherwise be payable by such subsidiaries until these tax attributes are exhausted.

From time to time, the Cadeler Group's positions in respect of taxes, including tonnage taxation, may be subject to review or investigation by tax authorities in the jurisdictions in which the Cadeler Group operates. If any tax authority were to successfully challenge the Cadeler Group's operational structure, the taxable presence of Cadeler's subsidiaries in certain countries or the Cadeler Group's interpretation of applicable tax laws and regulations, or if the Cadeler Group were to lose any other material tax dispute in any country, the result could be an increase in the Cadeler Group's tax expenses and/or a higher effective tax rate. For instance, if the tax authorities in Denmark or Cyprus were to determine that income taxed under the tonnage tax regime should have been subject to corporate income tax instead, such income would be taxed at a higher rate. In addition, as Cadeler operates in various tax jurisdictions when carrying out wind farm installation projects, one or more foreign tax authorities could claim that Cadeler has a permanent establishment in such tax jurisdiction and Cadeler could, as a result, potentially be subject to taxation in such jurisdictions. The analysis of whether a permanent establishment exists depends on local interpretation of local tax rules and the impact on the Cadeler Group's taxation in Denmark depends on whether or not a double tax treaty exists between Denmark and the relevant jurisdiction. As a general principle under local Danish tax law, income attributed to a permanent establishment abroad should not be included in the taxable income (computed for Danish tax purposes) of a Danish parent company, provided that the Danish tax authorities agree that the permanent establishment exists and that the allocation of profits and costs to such permanent establishment is correct. Thus, the risk is generally limited to the difference in tax rate between Denmark and the "permanent establishment country" leading to a different tax levied on the income attributed to the permanent establishment(s), excluding penalties and interest for any late payment. However, if the income attributable to the permanent establishment is taxed under the tonnage tax scheme in Denmark, such income would likely be subject to corporate income taxation in the permanent establishment country, and as a result such income may be taxed at a higher rate and could result in a higher tax payment by the Cadeler Group. In addition, potential fines and interest for late payment of taxes may be levied for noncompliance with foreign requirements for the registration of any such permanent establishment(s).

The Cadeler Group may also be affected by changes in global tax initiatives. For instance, in October 2021, members of the OECD agreed on a two-pillar approach to reform the international tax system: the so-called Pillar One rules, which reallocate profits to the market jurisdictions where sales arise versus physical presence, and the so-called Pillar Two rules, which are designed to compel multinational corporations with EUR 750 million or more in annual revenue to pay a minimum effective corporate tax rate of 15% on income received in each jurisdiction in which they operate. The reforms aim to level the playing field between countries by discouraging them from reducing their corporate income taxes to attract foreign business investment. The principal jurisdictions in which the Cadeler Group may be exposed to additional taxation as a result of the Pillar Two rules include Denmark and the United Kingdom (each of which has enacted legislation implementing the Pillar Two rules), as well as Cyprus (where public consultation on draft legislation is ongoing). The Cadeler Group is actively assessing the potential future impact of the Pillar Two rules on the Cadeler Group's business. The Pillar Two rules could, however, have the effect of increasing the burden and costs of the Cadeler Group's tax compliance, the amount of taxes the Cadeler Group incurs in the relevant jurisdictions and its global effective tax rate, and in turn have a material adverse impact on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group is dependent on certain certificates and approvals.

The Cadeler Group's operations require a number of certificates and approvals from relevant authorities in which the Cadeler Group operates. See also Item 4.B "Business Overview—Impact of regulation" of this Annual Report on Form 20-F. The comprehensiveness and the procedures for obtaining such certificates and approvals may vary across countries. Such certificates and approvals may be necessary for both onshore and offshore construction and operation activities. Moreover, after having obtained such certificates and approvals, the Cadeler Group is required to comply with relevant conditions for their maintenance, and failure to do so may result in sanctions (including, for example, a prohibition on continued operations), fines and/or revocation or suspension of the certificates and approvals granted to the Cadeler Group.

The Cadeler Group can provide no assurance that all necessary certificates and approvals will be obtained and renewed as and when required. Failure to obtain, or delays in obtaining, the necessary certificates and approvals could result in termination or delay of the Cadeler Group's projects.

Classification societies have established requirements that all vessels are required to meet and which may result in substantial costs. The Cadeler Group's vessels are subject to inspections, surveys or tests, and the relevant classification society may impose "conditions of class" or "recommendations," i.e., specific measures, repairs, surveys etc. relating to any vessel and require that the owner of that vessel (i.e., the Cadeler Group) implement such recommendations either immediately, by a certain deadline or at the next (mandatory) drydocking. If any required action is not taken, the classification society may suspend or revoke the relevant vessel's classification, in which case, the vessel is not permitted to operate. The same may result if the Cadeler Group's vessels do not undergo the required surveys at regular intervals or do not make the required reporting to the classification societies. Failure to comply with classification requirements may also adversely affect insurance coverage and may result in certain vessels being denied access to, or detained in, certain ports, which may in turn have a material adverse impact on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group is subject to risks relating to changes in, compliance with, or failure to comply with certain domestic and international laws and regulations.

The Cadeler Group and its business are subject to laws and regulations governing the offshore industry. Future changes in the domestic and international laws and regulations applicable to the Cadeler Group and its activities are unpredictable and are beyond the control of the Cadeler Group, and such changes could imply the need to materially alter the Cadeler Group's operations and organization and may prompt the need to apply for permits, which could in turn have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition. See also "—The Cadeler Group is dependent on certain certificates and approvals" and Item 4.B "Business Overview—Impact of regulation" of this Annual Report on Form 20-F.

Any change in or introduction of new regulations may increase the costs of operations, which could have an adverse effect on the Cadeler Group's profitability. For example, changes in regulations on fuel for vessels could materially affect the Cadeler Group's cost base. As a result of a International Maritime Organisation ("IMO") regulation which entered into force on January 1, 2020, the shipping industry has been exposed to a shift from heavy fuel oil to low sulphur fuels or alternatively installing so-called scrubbers on vessels, with either alternative resulting in additional costs to shipping companies. In addition, on July 14, 2021, the European Commission formally proposed its plan to gradually include the maritime sector in the EU Emissions Trading System ("EU ETS") from 2024 by phasing the sector into the EU ETS requirements over a three-year period. This will require shipowners to buy permits to cover greenhouse gas emissions and is expected to affect Cadeler's vessels from 2027 onwards. The European Commission's plan will permit vessel owners to pass the costs of compliance with the EU ETS onto charterers for vessel emissions during on-hire periods. If Cadeler is unable to pass on these additional costs to its customers during on-hire periods, this could have a material adverse effect on the Cadeler Group's financial position. During off-hire periods, Cadeler will need to develop a strategy for purchasing EU ETS allocations at favorable rates. If Cadeler is unable to obtain favorable rates or if Cadeler is unable to implement adequate processes to manage the purchasing and surrendering of EU ETS allocations, it could be exposed to financial penalties or operational restrictions which may in turn have a material adverse impact on the Cadeler Group's business, prospects and financial results and condition.

If any of the Cadeler Group's vessels does not comply with the extensive regulations applicable from time to time, the Cadeler Group may be unable to continue such vessel's operations without costly and time-consuming retrofits, and/or the Cadeler Group could be in non-compliance with applicable rules and regulations. See also "—The Cadeler Group is dependent on certain certificates and approvals."

Labor disruptions could materially adversely affect the Cadeler Group's business and operations.

The seafarers of the Operating O-Class Vessels belong to unions, and the Cadeler Group has collective bargaining agreements with Metal Maritime, Maskinmestrenes Forening and Dansk EL-forbund that govern the employment of the seafarers serving on the Operating O-Class Vessels. The terms of these agreements generally govern the wages paid to the Cadeler Group's crew, minimum living conditions onboard the Cadeler Group's Operating O-Class Vessels, as well as other benefits and conditions of the seafarers' employment. The agreements are subject to customary renegotiation in 2025, and the Cadeler Group may also become subject to additional agreements in the future. While management believes that the Cadeler Group's relationships with the Metal Maritime and other trade unions are good, if the Cadeler Group's relations with its seafarers, the Metal Maritime or other trade unions deteriorate, or if the Cadeler Group's employees or the relevant unions decide to strike or stop work for any other reason, the Cadeler Group may be unable to operate its vessels, which could result in loss of revenues, increased costs and decreased cash flows. Further, the Cadeler Group's collective bargaining agreements govern the wages paid by the Cadeler Group to its seafaring employees, and there can be no assurance that future renegotiations will lead to wage levels acceptable to the Cadeler Group. Any labor disruptions or significant increase in wages could harm the Cadeler Group's operations and could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

The Cadeler Group is exposed to interest rate risks.

On June 29, 2022, Cadeler and DNB Bank ASA ("DNB") entered into a new senior secured green revolving credit facility, the Debt Facility, which initially included an agreement of a three-year loan of EUR 185 million, consisting of a EUR 150 million revolving loan facility and a guarantee facility of up to EUR 35 million. On June 16, 2023, Cadeler entered into an amendment to the Debt Facility providing for an increase of the guarantee facility to EUR 60 million and an increase of the committed revolving loan to EUR 250 million, resulting in an increase of the aggregate Debt Facility to EUR 310 million. The guarantees and security provided for the original Debt Facility have been extended to cover the increased Debt Facility. In addition, an accordion option allows Cadeler to request prior to June 30, 2024 that the total commitments be increased by EUR 100 million by way of adding a term loan facility to the Debt Facility, which the lenders shall agree to or refuse at their sole discretion.

On October 5, 2022, the Cadeler Group entered into interest rate swap contracts with DNB which relate to the Debt Facility and future loans thereunder. The interest rate risk arising from the loans under the Debt Facility have been swapped from 3-month EURIBOR to a fixed rate until October 5, 2027. The average fixed rate of the swaps is 2.82%. Such interest rate swap contracts have been replaced by new contracts in connection with the New Debt Facility.

In connection with the Business Combination, on December 7, 2023 Cadeler entered into the New Debt Facility, a new senior secured credit and guarantee facility of up to EUR 550 million. The New Debt Facility has similar terms and conditions as the Debt Facility.

On November 15, 2023, Cadeler entered into an unsecured term loan facility, the Holdco Facility, in an aggregate amount of EUR 50 million (5 year tenor) which includes a noncommitted accordion option of up to EUR 50 million. On March 7, 2024, the Holdco Facility was increased from EUR 50 million to EUR 80 million.

On December 22, 2023, Cadeler and two of its subsidiaries, WIND N1064 Limited and WIND N1063 Limited, entered into a Sinosure-backed green term loan facility of up to EUR 425 million (12 year tenor), the P-Class Facility, to finance the purchase of the P-Class New Builds. Further financing will be required from 2025 in connection with milestone payments for the A-Class New Builds. The Cadeler Group's management expects to require approximately EUR 450 million of additional funding for the A-Class New Builds.

Risks Related to the Business Combination

In December 2023, Cadeler completed its business combination with Eneti Inc., a registered company incorporated under the laws of the Republic of the Marshall Islands ("Eneti," and, together with its subsidiaries, the "Eneti Group") (the "Business Combination"). Set out below is a summary of certain risk factors related to the Business Combination.

Cadeler may fail to realize all of the anticipated benefits of the Business Combination, or these benefits may take longer to realize than expected.

Cadeler believes that there are significant benefits as well as cost and revenue synergies that may be realized through leveraging the flexibility and size of the combined fleet, scale, respective capabilities and deep industry relationships of each of Cadeler and Eneti. The members of the board of directors of Cadeler (the “Cadeler Board”) estimate that the Business Combination will create synergies of at least EUR 106 million per year, comprising EUR 55 million in cost and operational synergies and EUR 51 million in utilization synergies. The foregoing cost and operational synergies estimate of EUR 55 million includes approximately EUR 37 million in estimated operational synergies, based on assumptions made by the management of Cadeler that the combined company will be able to cross-utilize mission equipment, sea fastenings and toolings, and will benefit from increased efficiency in procurement and associated operational expenditures, and approximately EUR 18 million in estimated corporate and financing synergies, based on assumptions made by the management of Cadeler that the combined company will benefit from reduced management headcount, reduced corporate costs and an optimized hiring plan as a result of the consolidation of the combined company’s headquarters operations, and improved financing terms in light of the combined company’s greater scale and negotiating leverage. The foregoing utilization synergies estimate of EUR 51 million is based on assumptions made by the management of Cadeler that the combined company will benefit from optimized fleet utilization, reduced mobilization and demobilization times, and accelerated overall project timeframes. The foregoing figures are estimates only, and there can be no assurance that the estimated synergies will be achieved or that actual results will not be significantly higher or lower than estimated. The material assumptions upon which the estimated synergies have been based may not be realized and are inherently subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond Cadeler’s control.

Cadeler believes that the Business Combination will result in a number of operational benefits, such as increased redundancy and improved ability to meet customer demand for larger scopes and project sizes. However, the efforts to realize these benefits and synergies will be a complex process and may disrupt the Cadeler Group’s operations if not implemented in a timely and efficient manner. Failure to achieve the anticipated benefits of the Business Combination could adversely affect the Cadeler Group’s results of operations or cash flows, decrease or delay any accretive effect of the Business Combination and negatively impact the price of Cadeler Shares and Cadeler ADSs.

Cadeler and Eneti incurred substantial expenses in connection with, and as a result of, completing the Business Combination, and following the completion of the Business Combination, Cadeler has incurred and expects to continue incurring additional expenses in connection with combining the businesses and operations of Cadeler and Eneti. Factors beyond Cadeler’s control could affect the total amount or timing of these expenses, many of which, by their nature, are difficult to estimate accurately and some of which are the result of actions taken by Eneti prior to the completion of the Business Combination. For example, Cadeler has identified that certain performance obligations entered into by Eneti with respect to one of the NG 2500X class vessels sold by Eneti prior to the completion of the Business Combination were not transferred to the buyer of the relevant vessel. Accordingly, the performance obligations remain with Eneti (as an indirect subsidiary of Cadeler) and Cadeler may incur unanticipated costs in satisfying or discharging such obligations. The Cadeler Board believes that it will realize the full benefit of the cost synergies by 2026. However, the costs of achieving the expected synergies may be higher than Cadeler anticipates, or there may be significant additional unanticipated costs in connection with the Business Combination that Cadeler may not be able to recover. These additional costs could reduce the synergy benefits that Cadeler expects to derive from the Business Combination.

In addition, Cadeler has been and is currently required to devote significant attention and resources to successfully align the business practices and operations of Cadeler and Eneti after the completion of the Business Combination. Cadeler may not achieve the expected benefits of the Business Combination as rapidly or to the extent anticipated, Eneti’s business may not perform as anticipated following the Business Combination, or the effect of the Business Combination on the Cadeler Group’s financial results may not meet the expectations of Cadeler’s management, financial analysts or investors. This ongoing process may disrupt the Cadeler Group’s business and, if ineffective, would limit the anticipated benefits of the Business Combination and/or negatively impact the price of the Cadeler Shares and/or Cadeler ADSs. See also “—Integration involves numerous challenges that may be more time-consuming and costly than expected.”

As a result of the Business Combination, the Cadeler Group faces financial risk due to its level of indebtedness.

The Cadeler Group has outstanding debt and other financial obligations, each of which subjects the Cadeler Group to certain risks, including among others increasing the vulnerability to general adverse economic and industry conditions, requiring the Cadeler Group to dedicate a portion of its cash flow from operations to payments on its debt, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes, and potentially limiting the ability to borrow additional funds or to borrow funds at rates or on other terms it finds acceptable. In addition, the Cadeler Group is, since the completion of the Business Combination, liable for any liabilities in connection with the Eneti Group's existing contracts, and such liability is uncapped.

The agreements governing the Cadeler Group's existing debt, including the debt of the Eneti Group that the Cadeler Group has assumed as a result of the Business Combination, contain (and it is expected that any agreements governing any additional debt that the Cadeler Group may incur or assume would contain) various operating and financial covenants with respect to the business of the Cadeler Group. Any failure to comply with such restrictions may result in an event of default under such agreements. Any such default may allow the applicable creditors to accelerate the related debt, which acceleration may trigger cross-acceleration or cross-default provisions in the Cadeler Group's other debt facilities.

In addition, while Cadeler has recently refinanced the long-term debt obligations of the Cadeler Group's fleet on the water through the New Debt Facility, the Cadeler Group may in the future be required to incur additional costs in refinancing its existing debt or incurring new debt at higher rates. The Cadeler Group will be required to comply with any restrictive terms of its debt, including covenants which may limit the Cadeler Group's ability to incur additional indebtedness, pay dividends or make other distributions, all of which could, in the future, affect the Cadeler Group's ability to plan for, or react to, changes in its business and the markets in which it will operate. If any refinancing and/or other future debt financing is not available when required or is not available on acceptable terms, the Cadeler Group may be unable to grow its business, take advantage of business opportunities, respond to competitive pressures or refinance maturing debt, any of which could affect its ability to take delivery of the vessels currently under construction and have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

Integration involves numerous challenges that may be more time-consuming and costly than expected.

The Cadeler Group's success after the Business Combination will depend, in part, upon Cadeler's ability to integrate Eneti without disruption to its existing business. The integration process is complex and has required and continues to require the coordinated efforts of Cadeler's and retained Eneti's management teams and employees. This process is currently ongoing, based on detailed plans created by Cadeler to seek to ensure a smooth and efficient integration of Eneti's and Cadeler's operations. Integration may take longer than expected, may prove more difficult than currently anticipated or unanticipated difficulties may arise, thereby posing a risk to the Cadeler Group's profitability.

A significant amount of the Cadeler Group's management's time has been and will be required to achieve the integration of Cadeler's and Eneti's businesses, and this may affect or impair the ability of the management team to run the business of the combined company effectively. Cadeler has a relatively small management team and organization, which could further exacerbate this risk. In addition, it is possible that certain key personnel may leave during the integration period and the management team will be required to spend additional time and financial resources hiring suitable replacements. The foregoing could have a material adverse effect on the Cadeler Group's business, prospects and financial results and condition.

Cadeler recently became subject to the reporting requirements of the U.S. Exchange Act and it needs to devote substantial time and resources to complying with public company regulations. There can be no assurance that the Cadeler Group's internal control over financial reporting will be sufficient.

Following the completion of the Business Combination, Cadeler became a foreign private issuer and subject to SEC reporting requirements and regulations. As such, and particularly after Cadeler no longer qualifies as an emerging growth company, Cadeler expects to incur significant legal, accounting, and other expenses that Cadeler did not incur previously, including costs associated with its SEC reporting requirements under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act") and compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. The Sarbanes-Oxley Act requires, among other things, that Cadeler maintains and periodically evaluates its internal control over financial reporting and disclosure controls and procedures. In particular, Cadeler will need to perform system and process evaluation and testing of internal control over financial reporting to allow management and its independent registered public accounting firm to report on the effectiveness of its internal control over financial reporting, as required by the rules and regulations of the U.S. Securities and Exchange Commission ("the SEC") regarding Section 404 of the Sarbanes-Oxley Act. Failure to remediate material weaknesses in the Cadeler Group's internal control over financial reporting may result in Cadeler being unable to prevent or detect misstatements on a timely basis and its financial statements may be materially misstated. Cadeler will need to evaluate areas such as corporate governance, corporate control, internal audit, disclosure controls and procedures and financial reporting and accounting systems. However, these and other measures Cadeler will take may not be sufficient to allow it to satisfy its obligations as a public company on a timely and reliable basis. See also "—Risks Related to the Cadeler Group's Business—The Cadeler Group has identified material weaknesses in internal control over financial reporting. If the Cadeler Group fails to maintain an effective system of internal control over financial reporting, it may not be able to accurately report financial results in a timely manner or prevent fraud, which may adversely affect its business and the market price of the Cadeler ADSs and Cadeler Shares."

In addition, Cadeler will spend additional resources and incur additional costs associated with operating as a public company in both Norway and the United States, and maintaining listings on both the Oslo Stock Exchange (the "OSE") and the New York Stock Exchange (the "NYSE").

Cadeler's senior management and other personnel will need to devote a substantial amount of time to comply with these requirements. Moreover, these rules and regulations will increase Cadeler's legal and financial compliance costs and will make some activities more time-consuming and costly. For example, Cadeler expects that these rules and regulations may make it more expensive for the combined company to obtain director and officer liability insurance, which in turn could make it more difficult for the combined company to attract and retain qualified senior management personnel or directors. In addition, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

The Cadeler Group may be required to pay taxes in the United Kingdom as a result of the Business Combination and the integration of the Eneti Group

Certain of the former Eneti Group's subsidiaries, which after the Business Combination are subsidiaries of the Cadeler Group, are resident for taxation purposes in the United Kingdom and so are subject to corporation tax in the United Kingdom on their income. However, the Eneti Group had significant tax losses and other deferred tax assets for United Kingdom tax purposes, which the Cadeler Group assumed after the Business Combination, and which are currently subject to a full valuation allowance, but that the Cadeler Group expects to be available (subject to the operation of the United Kingdom's rules restricting the use of carried-forward losses) to offset the United Kingdom corporation tax that would otherwise be required to be paid until these tax attributes are exhausted. Most of these tax attributes were generated by entities in the Seajacks group prior to its acquisition by the Eneti Group and it is possible that the availability or quantity of these tax attributes could be challenged by the tax authorities. It is also possible that changes in the Cadeler Group's business, organizational structure or capitalization, or future financing transactions, could significantly limit or eliminate these tax attributes, although the Cadeler Group expects that it will be able to conduct itself in a manner such that this will not occur. These considerations, as well as changes in tax laws, applicable tax rates and market factors affecting expected future revenue and operating expenses, may impact the Cadeler Group's future taxation and profitability and its actual outcomes may differ from the Cadeler Group's estimates and judgements made which could result in all or part of the deferred tax assets remain unutilized or become unavailable.

Risks Related to the Cadeler Shares and Cadeler ADSs

Future issuances of new Cadeler Shares or other securities in Cadeler may dilute the holdings of Cadeler Shareholders and could materially affect the price of the Cadeler ADSs and the Cadeler Shares.

Future issuances of new Cadeler Shares or other securities in Cadeler may dilute the holdings of Cadeler Shareholders and could materially and adversely affect the price of the Cadeler ADSs and the Cadeler Shares. Cadeler may in the future issue additional Cadeler Shares or securities convertible into Cadeler Shares through directed offerings without pre-emptive rights for existing holders of Cadeler Shares and Cadeler ADSs. For example, Cadeler has carried out four equity capital raises without pre-emptive rights since its listing on the OSE in November 2020, raising gross proceeds in aggregate of approximately EUR 546.8 million, to finance in part the ordering of its New Builds. It is possible that Cadeler may decide to offer additional Cadeler Shares or other securities in Cadeler in order to finance instalments on its already ordered New Builds, in connection with new capital investments in the future, unanticipated liabilities and expenses, future acquisitions, any share incentive or share option plan, or for any other purposes. Any such offer could reduce the proportionate ownership and voting interests of holders of Cadeler Shares and Cadeler ADSs as well as the earnings per share and the net asset value per share, and any such offering by Cadeler could also have a material adverse effect on the market price of Cadeler Shares and Cadeler ADSs.

The Cadeler Group has currently orders in place for six New Builds and a letter of intent regarding the construction of one additional A-Class New Build, which will require significant funding for further instalments. Such funding is not currently fully in place and may need to be raised through future equity offering(s), in part or in whole. If Cadeler is unable to achieve sufficient debt financing on attractive terms, it may need to raise funding through capital markets transactions, which may lead to dilution of ownership of existing shareholders of Cadeler and/or decrease in share price.

The market value of Cadeler ADSs and Cadeler Shares and dividends are subject to exchange risk.

The Cadeler Shares have a nominal value in DKK, while priced in NOK when listed and traded on the OSE. In addition, Cadeler ADSs are listed and admitted to trading, and the Cadeler Shares underlying such Cadeler ADSs are listed (but not admitted to trading), on the NYSE, where they are priced in USD. Any future payments of dividends on the Cadeler Shares listed on the OSE and the NYSE is expected to be paid in NOK and/or USD, respectively. Additionally, the Cadeler Group prepares its financial statements in EUR, which is also the functional currency of the Cadeler Group, and a majority of Cadeler's contractual obligations are either in EUR or USD, including the remaining payments for the orders of the New Builds. Income is primarily invoiced in EUR, as are most costs, or in DKK, which is pegged to the EUR. Accordingly, transactions in a currency other than the EUR are translated into EUR using the exchange rates at the dates of the transactions and the Cadeler Group's revenue, costs and results may increase or decrease compared to prior periods as a result of changes in foreign currency exchange rates. As a result of these factors, investors are subject to adverse movements in NOK, DKK, EUR and USD against the respective other currencies, and the dividends paid on the Cadeler Shares or price received in connection with the sale of such Cadeler Shares could be materially adversely affected by such exchange rate movements.

Holders of Cadeler ADSs may not be able to exercise voting rights or receive distributions as readily as holders of Cadeler Shares.

Holders of Cadeler ADSs who would like to vote their underlying Cadeler Shares at general meetings of Cadeler Shareholders must timely instruct the Depository on how to vote these underlying Cadeler Shares in advance of such meeting to enable the Depository to submit the votes ahead of the deadline set out in Cadeler's notice for the meeting. Neither Cadeler nor the Depository can guarantee that holders of Cadeler ADSs will receive the notice for any general meeting or any voting materials provided by Cadeler or the Depository in time to ensure that you are able to instruct the Depository to vote the Cadeler Shares underlying their Cadeler ADSs. Furthermore, the Depository and its agents are not responsible for failure to carry out voting instructions or for the manner of carrying out voting instructions. Therefore, there is a risk that the vote of holders of Cadeler ADSs may not be carried out in the manner intended and, in such instance, there would be no recourse available to them. Holders of Cadeler ADSs also may not receive the distributions that Cadeler makes on the Cadeler Shares or any value for them if it is illegal or impracticable for the Depository to make them available to them.

The Deposit Agreement includes a jury trial waiver provision and a forum selection provision, as a result of which holders of Cadeler ADSs may not be entitled to a jury trial or to bring a claim in a judicial forum they find favorable with respect to claims arising under the Deposit Agreement, each of which could result in less favorable results to the plaintiff(s) in any such action.

On December 19, 2023 Cadeler, JPMorgan Chase Bank, N.A., in its capacity as depositary (the “Depositary”) and all holders and beneficial owners from time to time of ADRs issued thereunder, entered into a deposit agreement (the “Deposit Agreement”). The Deposit Agreement governing the Cadeler ADSs provides that holders and beneficial owners of Cadeler ADSs, including those who acquire Cadeler ADSs in the secondary market, irrevocably waive the right to a trial by jury in any legal proceeding arising out of or relating to the Deposit Agreement or the Cadeler ADSs, including claims under U.S. federal securities laws, against Cadeler or the Depositary to the fullest extent permitted by applicable law. If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the Deposit Agreement with a jury trial. To Cadeler’s knowledge, the enforceability of a jury trial waiver under the U.S. federal securities laws has not been finally adjudicated by a federal court, and holders of the Cadeler ADSs are not able to waive Cadeler’s or the Depositary’s compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder.

In addition, the Deposit Agreement governing the Cadeler ADSs provides that by holding or owning Cadeler ADSs or an interest therein, holders and beneficial owners of Cadeler ADSs irrevocably agree that any legal suit, action or proceeding against or involving the Depositary and/or Cadeler brought by holders or beneficial owners, arising out of or based upon the Deposit Agreement, the Cadeler ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, including, without limitation, claims under the U.S. Securities Act, may be instituted only in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable). Any person or entity purchasing or otherwise acquiring any Cadeler ADSs, whether by transfer, sale, operation of law or otherwise, shall be deemed to have notice of and have irrevocably agreed and consented to this choice of forum provision. This forum selection provision seeks to reduce litigation costs and increase outcome predictability. While forum selection provisions have been upheld by courts in certain states, it is possible that in connection with any action a court could find the forum selection provision to be inapplicable or unenforceable in such action. If a court were to find the forum selection provision inapplicable to, or unenforceable in respect of, one or more actions or proceedings, a holder or beneficial owner of Cadeler ADSs may incur additional costs associated with resolving such action in other jurisdictions and may not obtain the benefits of limiting jurisdiction to the courts selected. To the extent that such claims may be based upon federal law claims, Section 27 of the U.S. Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the U.S. Exchange Act or the rules and regulation thereunder. Furthermore, Section 22 of the U.S. Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Actions by beneficial owners and holders of Cadeler ADSs to enforce any duty of liability created by the U.S. Exchange Act, the U.S. Securities Act or the respective rules and regulations thereunder must be brought in the U.S. District Court for the Southern District of New York. Holders of Cadeler ADSs will not be deemed to have waived Cadeler’s compliance with the federal securities laws and regulations promulgated thereunder.

The jury trial waiver provision and the forum selection provision of the Deposit Agreement can discourage claims or limit the ability of holders of Cadeler ADSs to bring a claim in a judicial forum that they find favorable. In addition, there may be imbalances of resources between Cadeler and the Depositary and holder(s), including in regard to access to information. If any holder or beneficial owner of Cadeler ADSs brings a claim against Cadeler or the Depositary in connection with matters arising under the Deposit Agreement or the Cadeler ADSs, such holder or beneficial owner may not be entitled to a jury trial with respect to such claims. If a lawsuit is brought against Cadeler and/or the Depositary under the Deposit Agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in increasing costs of bringing a claim. A case that is only heard by a judge or justice of the applicable trial court may result in different outcomes than a trial heard by jury would have, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

No condition, stipulation or provision of the Deposit Agreement or Cadeler ADSs serves as a waiver by any holder or beneficial owner of Cadeler ADSs or by Cadeler or the Depositary of compliance with any provision of the U.S. federal securities laws.

Cadeler's largest shareholders have significant voting power and the ability to influence matters requiring shareholder approval. Sales of substantial amounts of Cadeler Shares by Cadeler's largest shareholders could reduce the price of Cadeler Shares.

Based on information provided in connection with their latest notifications to Cadeler, BW Altor Pte. Ltd. ("BW Altor") has an ownership interest in Cadeler of approximately 19.57%, Scorpio Holdings Limited ("Scorpio Holdings") has an ownership interest of approximately 12.09% and Swire Pacific Limited ("Swire Pacific") has an ownership interest of approximately 8.51%. Accordingly, each of BW Altor, Scorpio Holdings and Swire Pacific may have the ability to influence matters that require approval by a majority of shareholders at a general meeting, including the appointment of directors and payment of dividends, and exercise of significant influence in matters where a majority or special majority is required, including mergers and other extraordinary transactions, as well as amendments of the combined company's organizational documents and alterations of its capital structure, including authorizing the issue of new shares or share buybacks of existing shares. The interests of each of BW Altor, Scorpio Holdings and/or Swire Pacific may differ significantly from or compete with Cadeler's interests or those of other Cadeler Shareholders, and it is possible that each of BW Altor, Scorpio Holdings and/or Swire Pacific may exercise significant influence or control over the Cadeler in a manner that is not in the best interests of all Cadeler Shareholders. This concentration of ownership and voting power could delay, postpone or prevent a change of control in Cadeler, impede mergers, consolidation, takeover or other forms of combinations involving Cadeler, or discourage a potential acquirer from attempting to obtain control of Cadeler. Further, the interests of each of BW Altor, Scorpio Holdings and/or Swire Pacific may not always coincide with the interests of other Cadeler Shareholders, and other investors may not agree with the manner in which each of BW Altor, Scorpio Holdings and/or Swire Pacific act.

In addition, if any of Cadeler's largest shareholders sell substantial amounts of their shareholdings in the public market or if there is a perception in the market that such substantial sales may occur in the future, the market price of the Cadeler Shares could fall. The occurrence of such substantial sales or the perception that substantial sales of Cadeler Shares may occur in the future could put downward pressure on the market price of Cadeler Shares and may make it more difficult for Cadeler to raise additional financing through the sale of equity or equity related securities in the future at a time and price that Cadeler deems reasonable or appropriate.

There may be less publicly available information concerning Cadeler than there is for issuers that are not foreign private issuers and emerging growth companies because, as a foreign private issuer and an emerging growth company, Cadeler is exempt from a number of rules under the U.S. Exchange Act and NYSE requirements applicable to U.S. domestic companies, and certain of these exemptions will be available to Cadeler as a foreign private issuer even if it no longer qualifies as an emerging growth company.

As a foreign private issuer under the U.S. Exchange Act, Cadeler is exempt from certain rules under the U.S. Exchange Act, and is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as companies whose securities are registered under the U.S. Exchange Act but which are not foreign private issuers. The Cadeler Board, Cadeler's officers and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the U.S. Exchange Act. Accordingly, there may be less publicly available information concerning Cadeler than there is for companies whose securities are registered under the U.S. Exchange Act but are not foreign private issuers, and such information may not be provided as promptly as it is provided by such other companies. In addition, certain information may be provided by Cadeler in accordance with Danish, EU or Norwegian law, which may differ in substance or timing from such disclosure requirements under the U.S. Exchange Act. Subject to certain exceptions, the rules of the NYSE permit a foreign private issuer to follow its home country practice in lieu of the listing requirements of the NYSE, including, for example, certain board, committee and director independence requirements. Accordingly, you may not have the same protections afforded to shareholders of companies that are required to comply with all of the NYSE corporate governance requirements. See also Item 16G of this Annual Report on Form 20-F.

In addition, Cadeler is an emerging growth company as defined in Section 2(a)(19) of the U.S. Securities Act and can take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies until the earliest of (a) the last day of its fiscal year following the fifth anniversary of the date of the first sale of Cadeler Shares under an effective registration statement as an emerging growth company, (b) the last date of Cadeler's fiscal year in which it has total annual gross revenue of at least \$1.235 billion, (c) the date on which Cadeler is deemed to be a "large accelerated filer" as defined in the U.S. Exchange Act with at least \$700.0 million of outstanding securities held by non-affiliates or (d) the date on which Cadeler has issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

These exemptions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;

- not being required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- not being required to submit certain executive compensation matters to shareholder advisory votes, such as "say-on-pay," "say-on-frequency" and "say-on-golden parachutes"; and
- not being required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation.

Even if Cadeler no longer qualifies as an emerging growth company, as long as Cadeler continues to qualify as a foreign private issuer under the U.S. Exchange Act, subject to SEC rule changes, Cadeler will be exempt from certain provisions of the U.S. Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the U.S. Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the U.S. Exchange Act;
- the sections of the U.S. Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the U.S. Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specific information or current reports on Form 8-K upon the occurrence of specified significant events.

Both foreign private issuers and emerging growth companies are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if Cadeler no longer qualifies as an emerging growth company, but remains a foreign private issuer, Cadeler will continue to be exempt from the more stringent compensation disclosures required of companies that are neither emerging growth companies nor foreign private issuers.

If insolvency proceedings are commenced against Cadeler resulting in a liquidation, the Cadeler Shareholders may only be entitled to receive a liquidation dividend from Cadeler to the extent that all of Cadeler's liabilities have been paid to creditors in full.

Any insolvency proceedings with respect to Cadeler will be subject to the insolvency laws applicable to Danish limited liability companies as set out in the Danish Act no. 1600 of December 25, 2022 on bankruptcy or other applicable laws. If insolvency proceedings are commenced against Cadeler resulting in a liquidation, Cadeler Shareholders may only be entitled to receive a liquidation dividend from Cadeler to the extent that all of Cadeler's liabilities have been paid to creditors in full. If the liquidation of Cadeler's assets does not generate sufficient proceeds for the bankruptcy estate to pay any liquidation dividend to Cadeler's shareholders, any equity investment in Cadeler may be lost.

Former Eneti shareholders that are U.S. taxpayers should note that there can be no assurances that the Internal Revenue Service (the "IRS") will not challenge the treatment of the Business Combination as a tax-free reorganization for U.S. federal income tax purposes.

As part of the Business Combination, Cadeler acquired all of the issued and outstanding common stock of Eneti via (i) an offer to exchange, for each outstanding share of Eneti common stock, Cadeler ADSs and cash in lieu of fractional Cadeler ADSs (the "Offer"), followed by (ii) a merger of Eneti with and into a wholly-owned Marshall Islands subsidiary of Cadeler (the "Merger"). As indicated in the prospectus dated and filed by Cadeler with the SEC on November 7, 2023 (the "Prospectus"), Cadeler intends to treat the Offer and Merger, taken together, as a "reorganization" described in Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended. No ruling from the IRS was obtained as to the U.S. federal income tax consequences of the Business Combination and no assurance can be given that the IRS will not successfully challenge the intended treatment. Reference is also made to the section titled "Material Tax Consequences—Material U.S. Federal Income Tax Considerations" on pages 256-261 of the Prospectus.

There can be no assurances that Cadeler will not be a passive foreign investment company (a “PFIC”) for any taxable year, which would generally result in adverse U.S. federal income tax consequences to U.S. investors in Cadeler ADSs or Cadeler Shares.

In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income. For the purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the stock of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, investment gains and certain rents and royalties, but does not include income received as compensation for services. Cash and cash equivalents are generally treated as passive assets. Goodwill and other intangible assets are generally treated as active assets to the extent associated with activities that generate non-passive income.

Cadeler’s gross income consists primarily of gross income from time charter hire services contracts with customers where the Cadeler Group utilizes its vessels, equipment and crew to deliver a service to the customer based on either a fixed day rate or milestone deliverables. Customers cannot charter a vessel from the Cadeler Group without also receiving the relevant wind turbine installation, engineering or maintenance services from the vessel’s crew. While the treatment of the gross income from time charter hire services for purposes of the PFIC rules is unclear, Cadeler intends to take the position that such income is non-passive income from services (rather than rental income). This position is based on general U.S. federal income tax law principles and court decisions that distinguish between income from services and rental income for other tax purposes. However, there is a court decision that characterized time charter income as rental income, rather than income from services, for another (not PFIC) tax purpose. Although the IRS indicated that it disagreed with that court decision, and although the facts of the court case may be different from Cadeler’s business model, there is no assurance that the IRS or a court will not treat Cadeler’s gross income from time charter hire services contracts as rental income, in which case the income (and the assets that produce it) may be treated as passive, unless the income is treated as derived in an active conduct of a trade or business under relevant Treasury regulations.

Assuming that Cadeler’s gross income from time charter hire services contracts with customers is not passive income, Cadeler does not believe it was a PFIC for 2023. However, Cadeler’s PFIC status for any taxable year is an annual factual determination that can be made only after the end of that year, and will depend, among other things, on the composition and character of its income and assets and the value of its assets from time to time (including the value of its goodwill and other intangible assets, which may be determined, in part, by reference to its market capitalization, which could be volatile). Accordingly, there can be no assurance that Cadeler will not be a PFIC for any taxable year. If Cadeler is a PFIC for any taxable year during which a U.S. investor owns Cadeler ADSs or Cadeler Shares, the U.S. investor will generally be subject to adverse U.S. federal income tax consequences, including increased taxes on gains and certain distributions as well as reporting requirements. See also Item 10.E. “Taxation—Material U.S. Federal Income Tax Considerations—Passive foreign investment company rules.”

Some or all of the Cadeler Group’s non-U.S. subsidiaries are expected to be treated as “controlled foreign corporations” for U.S. federal income tax purposes, and, as a result, there could be adverse U.S. federal income tax consequences to U.S. investors that own 10% or more, directly, indirectly or constructively, of Cadeler ADSs or Cadeler Shares.

Certain “United States Shareholders” (as defined below) of a non-U.S. corporation that is a “controlled foreign corporation” (a “CFC”) for U.S. federal income tax purposes generally are required to include in income for U.S. federal income tax purposes their pro rata share of the CFC’s “Subpart F income,” investments of earnings in U.S. property, and “global intangible low-taxed income” (“GILTI”), even if the CFC has made no distributions to its shareholders. A non-U.S. corporation generally will be a CFC for U.S. federal income tax purposes if United States Shareholders own, directly, indirectly or constructively (through attribution), more than 50% of either the total combined voting power of all classes of stock of such corporation entitled to vote or of the total value of the stock of such corporation. A “United States Shareholder” is a United States person (as defined by the Code) that owns directly or indirectly, or is considered to own constructively, 10% or more of the total combined voting power of all classes of stock entitled to vote of such corporation or 10% or more of the total value of the stock of such corporation. Cadeler is not expected to be a CFC. However, under certain attribution rules, some or all of the Cadeler Group’s non-U.S. subsidiaries are expected to be treated as CFCs by virtue of being constructively owned by the Cadeler Group’s U.S. subsidiary. As a result, any U.S. investor that is a United States Shareholder with respect to the Cadeler Group’s non-U.S. subsidiaries and that directly or indirectly owns Cadeler ADSs or Cadeler Shares generally will be required to include in income, for U.S. federal income tax purposes, its pro rata share of such subsidiaries’ Subpart F Income, investments of earnings in U.S. property and GILTI. None of Cadeler or any of the Cadeler Group’s subsidiaries intends to take these U.S. tax rules into consideration in structuring its operations, nor does it intend to provide information to United States Shareholders that may be required in order for those shareholders to properly report their U.S. taxable income with respect to Cadeler’s operations. U.S. investors that are or may become United States Shareholders with respect to Cadeler’s non-U.S. subsidiaries should consult their tax advisers with respect to the potential adverse U.S. federal income tax consequences under these rules of being a United States Shareholder with respect to such subsidiaries.

Item 4. Information on the Company

A. History and development of the company

Cadeler A/S was incorporated under the laws of Denmark on January 15, 2008 and has, from the beginning, operated solely in the market for offshore wind. The Cadeler Group is headquartered in Copenhagen, Denmark and currently operates four offshore jack-up windfarm installation vessels, with six new builds on order. In addition to the transportation and installation of offshore wind turbine generators (“WTGs”) and foundations, the Cadeler Group provides operations and maintenance, accommodation, meteorological mast installation and removal and decommissioning services in the offshore wind industry.

The Cadeler Shares are listed on the OSE (ticker: CADLR), where they have been listed since November 2020. The Cadeler ADSs are listed on the NYSE (ticker: CDLR), where they have been listed since December 2023. Each Cadeler ADS represents four (4) Cadeler Shares.

Legal name:	Cadeler A/S
Commercial name:	Cadeler
Date of incorporation:	January 15, 2008
Legal form of the Company:	A Danish public limited liability company
Legislation under which the Company operates:	Danish law
Country of incorporation:	Denmark
Address:	Kalvebod Brygge 43, DK-1560 Copenhagen V, Denmark
Telephone Number:	+45 3246 3100

Important events in 2023 and 2024 to date

Reference is made to the section titled “Business Review,” on pages 8-10 of the Annual Report 2023 for information on important events in 2023.

Capital expenditure

For capital expenditure since the beginning of 2021 to the date of this Annual Report on Form 20-F (including current capital expenditures and methods of financing), reference is made to the section titled “Finance Review” on pages 13-17 of the Annual Report 2023.

No significant divestments took place in the period 2021-2023.

Public takeover offers in respect of the Cadeler Shares

No such offers occurred during 2023 or have occurred in 2024 to date.

Available information

The SEC maintains a website at www.sec.gov which contains, in electronic form, each of the reports and other information that Cadeler has filed electronically with the SEC. Cadeler’s website address is www.cadeler.com. The information contained on, or accessible through, the website is not incorporated by reference herein, and any information contained in, or that can be accessed through, the website should not be considered as part hereof. The website address has been included as an inactive textual reference only.

B. Business overview

Description of Company’s operations and principal markets

Cadeler believes that the Cadeler Group is a leading offshore wind farm vessel contractor. The Cadeler Group is headquartered in Copenhagen, Denmark and currently operates four offshore jack-up windfarm installation vessels, with six new builds on order. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

The Cadeler Group operates within the market for the transportation and installation of offshore WTGs and foundations and provides operations and maintenance, accommodation, meteorological mast installation and removal and decommissioning services in the offshore wind industry.

Management believes that there is strong underlying demand for installation services in offshore wind and, with relevant vessel supply expected to be limited, that there are good employment prospects for the Cadeler Group’s vessels, which are optimized for transportation and installation of offshore wind foundations and WTGs.

The Cadeler Group currently has two Operating O-Class Vessels (Wind Orca and Wind Osprey), one Operating S-Class Vessel (Wind Scylla), and one Operating Z-Class Vessel (Wind Zaratan). The Cadeler Group has placed orders for two P-Class New Builds, two A-Class New Builds and two M-Class New Builds, and has entered into a letter of intent with COSCO for the delivery of a third A-Class New Build. Cadeler refers to its next-generation WTG-installation vessels as P-Class vessels, to the similar next-generation WTG-installation vessels previously commissioned by Eneti as M-Class vessels, and to its vessels specifically intended to be used for the installation of foundations as A-Class vessels. In addition to wind farm installation, each of the Cadeler Group’s vessels are capable of performing maintenance and other tasks. Crane upgrades of the Operating O-Class Vessels are nearing completion as of the date of this Annual Report on Form 20-F. The Cadeler Group expects to take delivery of the two P-Class New Builds in the third quarter of 2024 and the second quarter of 2025, respectively, while the two A-Class New Builds on order are currently expected to be delivered in the fourth quarter of 2025 and the second half of 2026, respectively, and the two M-Class New Builds are currently expected to be delivered in the first quarter of 2025 and the fourth quarter of 2025, respectively.

The Cadeler Group’s customer base consists of offshore wind farm developers, original equipment manufacturers and various offshore contractors. As of December 31, 2023 the Cadeler Group had completed approximately 32 offshore projects since 2012 and management believes that the Cadeler Group is well positioned in its current market, including in light of its contracts with “blue-chip” customers such as Siemens Gamesa Renewable Energy, Ørsted, Vestas, Vattenfall and Scottish Renewables. In the years ended December 31, 2023, 2022 and 2021, the Cadeler Group worked on projects in the Netherlands and the United Kingdom.

Segment information

The Group's management does not segment its operations or otherwise make operating decisions based solely on customer type, type of service or geographical segments. The Group operates four windfarm installation vessels, all of which are viewed as operating within one segment and each of which can, subject to applicable technical and regulatory restrictions, operate in any geographical area. Accordingly, the Cadeler Group has only one operating segment.

Seasonality

The wind turbine installation vessels ("WTIV") market has historically exhibited seasonal variations in demand and boom-bust cycles and, as a result, variable charter hire rates. This seasonality may result in quarter-to-quarter volatility in the Cadeler Group's operating results. The market is typically stronger in the spring and summer months when weather conditions are more favorable for offshore activities. As a result, revenues of European WTIV operators in general have historically been weaker during the fiscal quarters ended December 31 and March 31, and, conversely, been stronger in fiscal quarters ended June 30 and September 30. Due to global expansion, these trends may vary according to continental seasonality. This seasonality may materially affect operating results.

Patents

The Cadeler Group has trademark rights to the Cadeler name, logo and domain, but is not otherwise materially dependent on any patents, trademarks, licenses or new manufacturing processes.

Impact of regulation

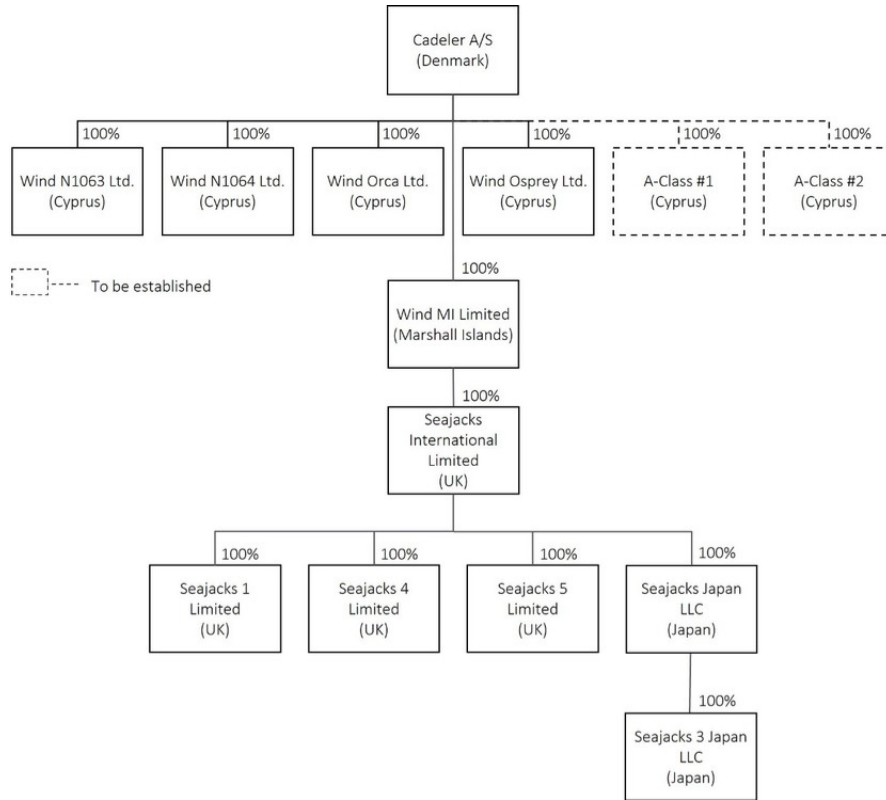
Reference is made to the section titled "Regulatory," on pages 25-28 of the Annual Report 2023 for information on the impact of regulation.

Market and competition

Reference is made to the section titled "Information about Cadeler—Competition" on pages 150-151 of the Prospectus.

C. Organizational structure

The following chart is a simplified presentation of the Cadeler Group's organizational structure, identifying the Cadeler Group's significant subsidiaries, their country of incorporation as well as the Cadeler Group's direct or indirect ownership percentage.



D. Property, plants and equipment

Reference is made to the section titled “Finance Review,” on page 18 of the Annual Report 2023 and Note 18 to the Consolidated Financial Statements, “Property, Plant and Equipment,” included in the Annual Report 2023, for information on property, plants and equipment.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

A. Operating results

Reference is made to the discussion of Cadeler’s results of operations and financial condition as of December 31, 2023 and for the financial year ended December 31, 2023 included in the section titled “Finance Review” on pages 13-23, except that where references are made to EBITDA and Adjusted EBITDA they should be replaced by Adjusted EBITDA and Adjusted EBITDA excluding special items, respectively (see also “—Non-IFRS Financial Measures”).

Non-IFRS Financial Measures

To supplement its financial information presented in accordance with IFRS, the Cadeler Group uses certain non-IFRS metrics, including Adjusted EBITDA and Adjusted EBITDA excluding special items, when measuring performance, including when measuring current period results against prior periods. Because of its non-standardized definition, these non-IFRS measures (unlike IFRS measures) may not be comparable to the calculation of similar measures of other companies. These supplemental non-IFRS measure are presented solely to permit investors to more fully understand how the Cadeler Group management assesses underlying performance. These supplemental non-IFRS measures are not, and should not, be viewed as a substitute for IFRS measures. Management believes the presentation of these non-IFRS measures provides investors with greater transparency and supplemental data relating to the Cadeler Group's financial condition and results of operations, and therefore a more complete understanding of factors affecting its business and Cadeler Group's operating performance. In addition, management believes the presentation of these non-IFRS measures is useful to investors for period-to-period comparison of results as the items may reflect certain unique and/or non-operating items such as asset sales, write-offs, contract termination costs or items outside of management's control.

Adjusted EBITDA and Adjusted EBITDA excluding special items

The Cadeler Group uses earnings before interest, tax, finance income/costs and depreciation and amortization ("Adjusted EBITDA") as a performance measure for financial performance.

The table below shows a reconciliation from profit for the period, the most directly comparable IFRS financial measure, to Adjusted EBITDA and Adjusted EBITDA excluding special items for the periods presented.

	Year ended December 31, 2023
	(EUR million)
Profit for the period	11.5
Income tax expense / (credit)	—
Finance income	(1.5)
Finance costs	4.5
Depreciation and amortization	23.0
Impairment of property, plant and equipment	5.0
Adjusted EBITDA	42.5
Adjusted to exclude transactional costs related to the Business Combination	7.7
Adjusted EBITDA excluding special items	50.2

Reference is made to the discussion of Cadeler's results of operations and financial condition as of December 31, 2022 and 2021 and for the financial years ended December 31, 2022 and 2021 included in the section titled "Cadeler Group's Management's Discussion & Analysis of Financial Condition and Results of Operations" on pages 157-162 and 165-166 of the Prospectus.

Reference is also made to the sections titled "Forward-looking statements" and Item 3.D. "Risk Factors" hereof and to the section titled "Finance Review—Special Risks" on pages 19-21 of the Annual Report 2023. The analysis and discussion included in the Prospectus and the Annual Report 2023 is primarily based on the Cadeler Group's consolidated financial statements which are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Segment information

Reference is made to Note 3 to the Consolidated Financial Statements, "Revenue—Operating segments and geographical information," in the Annual Report 2023.

Foreign currencies

Reference is made to Note 2 to the Consolidated Financial Statements, "Material Accounting Policies Information—Currency translation," in the Annual Report 2023.

Governmental policies

Reference is made to the section titled “Regulatory,” on pages 25-28 of the Annual Report 2023 and Item 4 hereof.

Off-balance sheet arrangements

As of December 31, 2023, the Cadeler Group did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on the Cadeler Group’s financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources other than those related to Cadeler’s new headquarters from 2024, the crane upgrades for the Operating O-Class Vessels, debt facilities not yet utilized and commitments related to the New Builds discussed elsewhere in this Annual Report on Form 20-F.

B. Liquidity and capital resources

Funding and liquidity

The Cadeler Group’s objective when managing capital is to ensure its ability to continue as a going concern and to maintain an optimal capital structure. In order to achieve this overall objective, the Cadeler Group’s capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing as of December 31, 2023.

The Cadeler Group finances both its short-term and long-term liquidity requirements principally from its Debt Facility of EUR 310 million, which is comprised of a EUR 250 million revolving credit facility and a EUR 60 million guarantee facility. The Cadeler Group has headroom to comply with its debt covenants and, on December 31, 2023, had available liquidity of EUR 97 million from cash at hand and EUR 338 million from available committed facilities including the New Debt Facility and the Holdco Facility.

In order to maintain or adjust its capital structure in the future, the Cadeler Group may adjust the amount of dividends paid to shareholders (where it is permitted to do so pursuant to the terms of its credit facilities), issue new shares and/or sell assets to reduce debt. The Cadeler Group manages its liquidity risk by ensuring that it has sufficient cash and credit facilities to meet operational needs and new vessel instalments, as described below.

Financing arrangements

On June 29, 2022, the Cadeler Group entered into a senior secured green revolving credit facility (the “Debt Facility”), which provided for a three-year revolving credit facility of up to EUR 185 million. The Debt Facility was entered into for the purpose of refinancing existing facility agreements, obtaining financing for general corporate purposes and working capital requirements. The Debt Facility initially consisted of two parts: (i) a three-year committed revolving credit facility of up to EUR 150 million, which was a revolving facility that may be reborrowed once prepaid or repaid until it terminates and has to be repaid as a bullet repayment, and (ii) a guarantee facility of up to EUR 35 million, pursuant to which Cadeler may request the lender/issuing bank to issue letters of credit as security for the contracts for employment of the Cadeler Group’s two Operating O-Class Vessels and for certain projects.

The Debt Facility is secured by guarantees from Wind Orca Limited and Wind Osprey Limited (together, the “Guarantors”), first priority mortgages granted over the Operating O-Class Vessels, first priority assignments of the insurance policies and earnings of the Operating O-Class Vessels by Cadeler and the Guarantors, and contains customary financial and other covenants including certain change of control provisions. The Debt Facility is governed by Norwegian law.

On July 4, 2022, the Cadeler Group utilized EUR 115 million from the total EUR 150 million available under the revolving credit facility of the Debt Facility. With these funds the Cadeler Group repaid in full the outstanding amounts related to the term loan EUR 55 million and overdraft facility EUR 25 million from DNB and SpareBank 1 SR-Bank signed on November 4, 2020.

The Debt Facility bears interest at three-month EURIBOR plus the applicable margin, and subject to a green loan margin discount as long as the Cadeler Group is in compliance with certain green revenue criteria such as earmarked investments in green assets. As of December 31, 2023, the Cadeler Group was in compliance with these green revenue criteria and expects to remain compliant for the duration of the Debt Facility. The full repayment of a senior debt facility generated a finance cost for the write-off of borrowing costs of approximately EUR 810,000 in July 2022.

On October 5, 2022, the Cadeler Group entered into interest rate swap contracts with DNB which relate to the Debt Facility and future loans thereunder. The interest rate risk arising from the loans under the Debt Facility have been swapped from three-month EURIBOR to a fixed rate until October 5, 2027. The average fixed rate of the swaps is 2.82%. Such interest rate swap contracts have been replaced by new contracts in connection with the New Debt Facility.

On June 16, 2023, Cadeler entered into an amendment agreement to the Debt Facility providing for an increase of the guarantee facility to EUR 60 million and an increase of the committed revolving credit facility to EUR 250 million (in two tranches), resulting in an increase of the total Debt Facility to EUR 310 million. The guarantees and security provided for the original Debt Facility have been extended to cover the increased Debt Facility. In addition, an accordion option allows Cadeler to request prior to June 30, 2024 that the total commitments be increased by EUR 100 million by way of adding a term loan facility to the Debt Facility, which the lenders may agree to or refuse at their sole discretion and which is subject to obtaining an export credit agency guarantee.

On November 15, 2023, Cadeler entered into an unsecured term loan facility (the “Holdco Facility”) in an aggregate amount of EUR 50 million (5 year tenor) with The Hongkong and Shanghai Banking Corporation Limited, Singapore branch (“HSBC”). The proceeds of the Holdco Facility are to be used, amongst other purposes, for the partial funding of the wind installation activities of the Cadeler Group and for general corporate purposes. The Holdco Facility includes a noncommitted accordion option of up to EUR 50 million. The Holdco Facility may not be reborrowed once repaid and contains customary financial and other covenants, including certain change of control provisions. A change of control will be deemed to have occurred under the Holdco Facility if (i) together, the interests of Andreas Sohmen-Pao, his immediate family and their respective heirs and successors, including trusts or similar arrangements of which they are individual or collective beneficiaries (the “Sohmen Family Trust”) and the BW Group cease to beneficially and legally hold (directly or indirectly) 17.5% or more of the issued share capital or voting rights of Cadeler; or (ii) any person other than the BW Group or Swire Pacific and its subsidiaries from time to time gains control of 25% or more of the issued share capital or voting rights of Cadeler; provided that in no case shall a change of control be deemed to have occurred if neither the BW Group nor the Sohmen Family Trust has divested any of the Cadeler Shares they held as of November 15, 2023. The Holdco Facility is governed by English law. EUR 50 million has been drawn under the Holdco Facility. On March 7, 2024, the Holdco Facility was increased from EUR 50 million to EUR 80 million.

In connection with the Business Combination, on December 7, 2023 Cadeler entered into a new senior secured credit and guarantee facility of up to EUR 550 million (the “New Debt Facility”) with a group of banks led by DNB and supported by Rabobank, Credit Agricole, Danske Bank, Oversea-Chinese Banking Corporation (“OCBC”), Standard Chartered Bank and Société Générale providing for (i) a revolving credit facility of up to EUR 250 million (5 year tenor), (ii) a revolving credit facility of up to EUR 100 million (18 month tenor), guaranteed by The Danish Export and Investment Fund of Denmark (EIFO) (iii) a term loan of up to EUR 100 million (8.5 year tenor), and (iv) an uncommitted guarantee facility of up to EUR 100 million. The New Debt Facility has similar terms and conditions as the Debt Facility. The change of control provisions under the New Debt Facility are similar to those included in the P-Class Facility (as described below). The Cadeler Group will utilize the New Debt Facility to repay the outstanding amounts of Eneti’s five-year credit facility of \$175.0 million with DNB Capital LLC, Société Générale, Citibank N.A., Credit Agricole Corporate and Investment Bank and Crédit Industriel et Commercial (the “Eneti Credit Facility”), which amounted to USD 59.4 million as at September 30, 2023 (of which Eneti repaid USD 12.6 million in October 2023 from the proceeds of the sale of Seajacks Hydra, Seajacks Leviathan and the Seajacks Kraken). In addition, Cadeler has repaid the amounts under the Debt Facility amounting to EUR 115 million as of December 31, 2023. As of December 31, 2023, the Cadeler Group had utilized EUR 162 million under the revolving credit facility made available under the Debt Facility.

In connection with the Business Combination, the Cadeler Group acquired a senior secured green term loan facility, which Eneti entered into in November 2023, of up to USD 436 million (the “New Credit Facility”) with a group of international banks and export credit agencies co-arranged and co-underwritten by Crédit Agricole Corporate and Investment Bank and Société Générale, and with Société Générale as Green Loan Coordinator. The New Credit Facility finances approximately 65% of the purchase cost of the M-Class New Builds, with the remaining 35% to be funded through available operational cash reserves. The maturity date of the New Credit Facility in relation to each vessel is 12 years from the delivery date of each vessel. The New Credit Facility bears interest at a blended margin of SOFR plus 2.36% per annum (exclusive of premiums payable to K-SURE and Eksfin). However, the terms of the New Credit Facility provided that completion of the Business Combination would not trigger a change of control provision with regard to cancellation and prepayment of the New Credit Facility.

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On December 22, 2023, Cadeler and two of its subsidiaries, WIND N1064 Limited and WIND N1063 Limited, entered into a Sinobure-backed green term loan facility of up to EUR 425 million (12 year tenor) with a group of banks led by DNB and supported by Rabobank, Santander, Credit Agricole, CIC, HSBC, KfW-IPEX, OCBC, Société Générale, Sparebank 1 SR-Bank and Standard Chartered Bank, to finance the purchase of the P-Class New Builds (the "P-Class Facility"). The funds under the P-Class Facility have been borrowed by these two Cadeler subsidiaries (who will be the future owners of the P-Class New Builds) and may not be reborrowed once repaid. The P-Class Facility is secured by a guarantee from Cadeler, first priority mortgages to be granted over the P-Class New Builds, first priority assignments of the insurance policies and earnings of the P-Class New Builds by Cadeler and the two borrowers and contains customary financial and other covenants including certain change of control provisions. A change of control will be deemed to have occurred under the P-Class Facility if any person or group of persons acting in concert (other than Swire Pacific or the BW Group) become the legal and beneficial owner(s) of more than 25% of Cadeler's issued and outstanding share capital. In addition, a number of changes to the ownership structure further down in the Cadeler Group will trigger a change of control such as, among others, if either Wind N1063 Limited or Wind N1064 Limited ceases to be a wholly owned (direct or indirect) subsidiary of Cadeler. The P-Class Facility is governed by English law. Further financing will be required from 2025 in connection with milestone payments for the A-Class New Builds. The Cadeler Group's management expects to require approximately EUR 450 million of additional funding for the A-Class New Builds.

The following table sets forth the Cadeler Group's financial debt as of the dates indicated:

	December 31,		
	2023	2022	2021
	(EUR million)		
Cash and cash equivalents	96.6	19.0	2.3
Liquidity	96.6	19.0	2.3
Current debt to credit institutions	(0.8)	(0.8)	(28.6)
Current financial indebtedness	(0.8)	(0.8)	(28.6)
Net current financial indebtedness	95.8	18.2	(26.3)
Non-current debt to credit institutions	(204.8)	(114.2)	(44.5)
Non-current financial indebtedness	(204.8)	(114.2)	(44.5)
Net total financial indebtedness	(109.0)	(96.0)	(70.8)

The following table sets forth the Cadeler Group's lease liabilities for the years indicated:

	Year ended December 31,		
	2023	2022	2021
	(EUR million)		
Lease liabilities at January 1 (current and non-current lease)	0.3	0.5	0.8
Acquisition of businesses	1.3	—	—
Cash paid for lease obligations	(0.6)	(0.2)	(0.3)
Lease liabilities at end of period (current and non-current lease)	1.0	0.3	0.5

The following table sets forth the Cadeler Group's debts to credit institutions as of the dates and for the years indicated:

	As of and year ended December 31,		
	2023	2022	2021
	(EUR million)		
Debt to credit institutions at January 1	(115.0)	(73.1)	(73.5)
Overdraft facility drawn	—	(16.1)	(9.0)
Loans repayment	115.0	65.0	10.0
Overdraft repayment	—	25.1	—
New loan	(211.9)	(115.0)	—
New loan fees	8.3	1.5	—
Write off of loan fees	(1.9)	(1.0)	—
Others	—	(1.5)	(0.6)
Debt to credit institutions at end of period	(205.6)	(115.0)	(73.1)

Net working capital

The Cadeler Group assesses that, as of the date of this Annual Report on Form 20-F, its net working capital is adequate to meet its present financing requirements for at least 12 months following the date of this Annual Report on Form 20-F.

Cash flow analysis

The following table presents the primary components of the Cadeler Group's cash flow for the years ended December 31, 2023, 2022 and 2021:

	For the year ended		
	December 31,		
	2023	2022	2021
	(EUR million)		
Net cash provided by operating activities	63.4	29.0	30.2
Net cash (used in) investing activities	(54.7)	(225.4)	(163.4)
Net cash (used in)/provided by financing activities	70.3	213.1	71.8
Net increase/(decrease) in cash and cash equivalents	78.9	16.7	(61.3)
Cash and cash equivalents at beginning of period	19.0	2.3	63.6
Net foreign exchange difference	(1.3)	—	—
Cash and cash equivalents at end of period	96.6	19.0	2.3

Cash and cash equivalents at December 31, 2023 amounted to EUR 96.6 million compared to EUR 19.0 million at December 31, 2022, mainly driven by the net fluctuations of operating, investing and financing activities outlined below.

Cash and cash equivalents at December 31, 2022 amounted to EUR 19.0 million compared to EUR 2.3 million at December 31, 2021, mainly driven by net borrowing proceeds of EUR 41.0 million and EUR 178.1 million of net proceeds from the issuance of shares, offset by additions to property, plant and equipment of EUR 224.6 million.

Net cash provided by operating activities

For the year ended December 31, 2023, cash provided by operating activities was EUR 63.4 million, compared to EUR 29.0 million for the year ended December 31, 2022, mainly driven by a decrease in in profits from higher costs and reduction of working capital compared to 2022.

For the year ended December 31, 2022, cash provided by operating activities was EUR 29.0 million, compared to EUR 30.2 million for the year ended December 31, 2021, mainly driven by net profit increasing by EUR 29.0 million compared to 2021, a decrease of EUR 13.0 million of deferred charter hire income and an increase in contract assets of EUR 19.2 million.

Net cash used in investing activities

For the year ended December 31, 2023, cash used in investing activities was EUR 54.7 million, compared to EUR 225.4 million for the year ended December 31, 2022, mainly driven by the absence of large asset investments. In 2023, the business combination with Eneti was completed via a share exchange and EUR 10 million net cash.

For the year ended December 31, 2022, cash used in investing activities was EUR 225.4 million, compared to EUR 163.4 million for the year ended December 31, 2021, mainly driven by a EUR 167.0 million down payment for the A-Class New Builds and the EUR 27.0 million instalments paid for the main crane upgrades for the Operating O-Class Vessels.

Net cash (used in)/provided by financing activities

For the year ended December 31, 2023, cash provided by financing activities was EUR 70.3 million, compared to cash provided by financing activities of EUR 213.1 million for the year ended December 31, 2022, mainly driven by the nonrecurrence of the capital raised in 2022 and partially offset by the Holdco Facility for EUR 50 million from HSBC in 2023.

For the year ended December 31, 2022, cash provided by financing activities was EUR 213.1 million, compared to EUR 71.8 million for the year ended December 31, 2021, mainly driven by net borrowing proceeds of EUR 41.0 million and EUR 178.1 million of net proceeds from the issuance of shares, which is EUR 101 million more than the net proceeds from 2021.

Financing Arrangements and Commitments***Capital expenditure***

The Cadeler Group defines capital expenditure as investments in property, plant and equipment. The following table sets forth the Cadeler Group's capital expenditure (not including any capitalized interest shown under interest paid in financing activities) for the years ended December 31, 2023, 2022 and 2021.

	Year ended December 31,		
	2023	2022	2021
		(EUR million)	
Additions to property, plant and equipment not including capitalized interest	66.9	224.6	162.9

Capital expenditure (not including any capitalized interest shown under interest paid in financing activities) for the year ended December 31, 2023 decreased from EUR 224.6 million to EUR 66.9 million in the year ended December 31, 2022, primarily due to the absence of large asset investment payments.

Capital expenditure (not including any capitalized interest shown under interest paid in financing activities) for the year ended December 31, 2022 increased from EUR 162.9 million to EUR 224.6 million in the year ended December 31, 2021, primarily due to increased down payments relating to the New Builds in 2022 compared to 2021.

The cost of the crane upgrades of Wind Orca and Wind Osprey will amount to a total of EUR 83.4 million, of which EUR 50 million has been paid as of December 31, 2023. The remaining amounts will be due in the first half of 2024.

The total contract value for the construction of the P-Class New Builds is approximately EUR 572 million, of which EUR 137 million was paid in 2021 and EUR 14 million was paid in 2023. The remaining scheduled payments are due between 2024 and 2025. Of the total contract value, USD 390 million will be paid in USD and EUR 220 million will be paid in EUR.

The total value of the contracts for the A-Class New Builds is approximately EUR 657 million. After down payments of an aggregate EUR 167 million in 2022, the remaining amounts will be due in 2025 and 2026. Of the total contract value, USD 495 million are paid in USD and EUR 205 million are paid in EUR.

The total value of the contracts for the construction of the M-Class New Builds is approximately EUR 592 million, of which EUR 29.6 million, EUR 59.4 million and EUR 29.3 million have been paid in 2021, 2022 and 2023, respectively. The remaining scheduled payments are due between 2024 and 2025.

Financial and other long-term contractual obligations

The following table analyses the maturity profile of the financial liabilities of the Cadeler Group based on contractual undiscounted cash flows.

	Less 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	(EUR million)			
December 31, 2023				
Trade and other payables	32.6	—	—	32.6
Payables to Related parties	0.2	—	—	0.2
Lease liabilities	0.6	0.4	—	1.0
Debt to credit institutions	0.8	—	204.8	205.6
Derivative liabilities	4.0	5.7	12.3	22.0
Total	38.2	6.1	217.0	261.3
December 31, 2022				
Trade and other payables	8.8	—	—	8.8
Payables to Related parties	0.1	—	—	0.1
Lease liabilities	0.3	—	—	0.3
Debt to credit institutions	0.8	—	114.2	115.0
Derivative liabilities	—	1.8	0.3	2.1
Total	10.0	1.8	114.5	126.3
December 31, 2021				
Trade and other payables	9.7	—	—	9.7
Payables to Related parties	0.1	—	—	0.1
Lease liabilities	0.3	0.2	—	0.5
Debt to credit institutions	28.6	14.5	30.0	73.1
Total	38.7	14.7	30.0	83.4

Off-balance sheet arrangements

As of December 31, 2023, the Cadeler Group did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on the Cadeler Group's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources other than those related to Cadeler's new headquarters from 2024, the crane upgrades for the Operating O-Class Vessels, debt facilities not yet utilized and commitments related to the New Builds discussed elsewhere in this Annual Report on Form 20-F.

Commercial commitments and contingent liabilities

The Cadeler Group signed a contract with National Oilwell Varco on December 18, 2020 to replace the main crane of Wind Orca and then executed the option to replace the main crane for Wind Osprey on June 17, 2021. The total sum of the contract for the replacement of both cranes is EUR 83.4 million, of which EUR 7.0 million was paid in 2021, EUR 27.0 million was paid in 2022 and EUR 15.8 million was paid in 2023. The remaining scheduled payments are due in 2024.

In addition, on June 30, 2021, the Cadeler Group entered into a contract with COSCO to build two new P-Class wind turbine installation vessels, on May 9, 2022, the Cadeler Group signed a contract with COSCO to build one new A-Class wind turbine installation vessel and on November 22, 2022, the Cadeler Group exercised its option under the May 9, 2022 contract and signed a new contract with COSCO to build one new A-Class wind turbine installation vessel. The Cadeler Group, due to the Business Combination, has also inherited two contracts with Hanwha for the construction of the two M-Class New Builds. The total contract sum for the two P-Class New Builds, the two A-Class New Builds and the two M-Class New Builds amounts to approximately EUR 1.8 billion, of which EUR 166.9 million has been paid in 2021, EUR 227.0 million has been paid in 2022 and 43 million has been paid in 2023. The remaining amounts of approximately EUR 1.4 billion will be due between 2024 and 2026.

BW Group has provided COSCO with four guarantees in respect of the sums payable by Cadeler in accordance with the contracts for the construction of the P-Class New Builds and A-Class New Builds in 2021 and 2022. See Note 23 to the Consolidated Financial Statements, "Commitments and Pledges," in the Annual Report 2023 for further information.

Financial Risk Management

The Cadeler Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Financial risk management within the Cadeler Group is the responsibility of the Cadeler Group's management and overseen by the Cadeler Board and Audit Committee. The fair value of the Cadeler Group's financial assets and liabilities as of December 31, 2023 does not deviate materially from the carrying amounts as of December 31, 2022.

Quantitative and Qualitative Disclosures about Market Risk

(a) Currency risk

The Cadeler Group's business is exposed to DKK, NOK, British pound sterling ("GBP") and USD as certain operating expenses are denominated in these currencies. The Cadeler Group will look to use financial instruments to reduce currency risk when there is significant liability or income in a non-EUR, DKK or USD denominated currency and there is a cost-effective solution.

The largest currency exposure of the Cadeler Group is the future instalments for the new P-Class New Builds, A-Class New Builds and M-Class New Builds in USD (USD 1.3 million as of December 31, 2023). See Note 25 to the Consolidated Financial Statements, "Derivative Financial Instruments," in the Annual Report 2023 with regards to the current instruments used to mitigate this currency risk. The Cadeler Group's management and the Cadeler Board will evaluate the potential cost and benefits of currency exposure on an ongoing basis.

The Cadeler Group holds cash balances in USD. If the USD:EUR exchange rate deteriorated by 10%, the Cadeler Group's profits before tax would have decreased by EUR 4.6 million based on the Cadeler Group's USD cash holdings as of December 31, 2023.

The Cadeler Group holds cash balances in GBP. If the GBP:EUR exchange rate deteriorated by 10% the Cadeler Group's profits before tax would have decreased by EUR 1.4 million based on the Cadeler Group's GBP cash holdings as at December 31, 2023.

As the DKK is pegged to the EUR, no material currency risk has been identified against the DKK even though the Cadeler Group has costs denominated in DKK. As of December 31, 2023, the Cadeler Group did not have any material NOK cash holdings.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Cadeler Group's current exposure to the risk of changes in market interest rates relates primarily to the Debt Facility entered into on June 29, 2022 (as amended on June 16, 2023) and refinanced on December 7, 2023, the New Debt Facility, the P-Class Facility, the New Credit Facility and the Holdco Facility. See Note 25 to the Consolidated Financial Statements, "Derivative Financial Instruments," in the Annual Report 2023 for a description of the current instruments used to mitigate this risk.

The New Debt Facility and the Holdco Facility are based on a 3-month EURIBOR interest rate plus a margin. The EURIBOR interest rate has a floor of zero basis points and was 3.9% and 2.2% at December 31, 2023 and 2022.

If the EURIBOR interest rate increased 100 basis points over the floor of zero basis points, and the loans had been provided throughout the last twelve months by the end of December 2023, the cost would have increased by EUR 24.1 million (EUR 1.5 million in 2022). This variation could potentially have qualified as capitalizable borrowing costs and minimized the impact on the Cadeler Group's profits before tax.

If the EURIBOR interest rate decreases, the Cadeler Group's profits before tax would not change due to the capitalization of borrowing costs.

The Cadeler Group's management and the Cadeler Board will evaluate the potential cost and benefits of fixed interested rate borrowings on an ongoing basis.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Cadeler Group. When dealing with banks and financial institutions, the Cadeler Group mitigates its credit risk by transacting only with counterparties who are rated "A" and above by independent rating agencies.

With respect to its customers, the Cadeler Group has adopted a practice of dealing only with customers of appropriate history and creditworthiness and obtaining sufficient security, where appropriate, to mitigate credit risk. The Cadeler Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk.

These credit terms are normally contractual and the Cadeler Group's credit policies explicitly set forth guidelines on extending credit to customers, including procedures for monitoring the process of engaging with new customers and using industry best practices as a reference in setting credit terms. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the appropriate credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered.

Related party credit risk is managed by the Cadeler Group's management and overseen by the Cadeler Board and Audit Committee.

The maximum exposure to credit risk is the carrying amount of trade receivables and other receivables, receivables from group entities and cash and cash equivalents presented on the balance sheet.

Impairment of financial assets

The Cadeler Group assesses on a forward-looking basis the expected credit losses associated with its financial assets which are trade and other receivables, cash and cash equivalents and contract assets. Financial assets are written off when there is no reasonable expectation of recovery, such as a non-related debtor failing to engage in a repayment plan with the Cadeler Group.

Where receivables have been written off, the Cadeler Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Cadeler Group has applied the simplified credit loss approach by using a provision matrix to measure the lifetime expected credit losses for trade receivables from customers. To measure the expected credit losses, the Cadeler Group grouped receivables based on shared credit characteristics and days past due.

Trade receivables from external customers that are neither past due nor impaired are with creditworthy companies. Based on the provision matrix, the trade receivables from external customers are subject to immaterial credit loss. For an analysis of expected credit loss on trade receivables and contract assets, please refer to Note 14 to the Consolidated Financial Statements, "Trade and Other Receivables," in the Annual Report 2023.

For cash and cash equivalents and other receivables that are measured at amortized cost, the Cadeler Group considers these financial assets as low credit risk. Cash and cash equivalents are mainly deposits with banks who have high credit ratings as

determined by international credit rating agencies. As of December 31, 2023, cash and cash equivalents and other receivables are subject to immaterial credit loss.

There was no credit loss allowance for other financial assets at amortized cost as of December 31, 2023, December 31, 2022 and December 31, 2021.

Liquidity risk

The Cadeler Group manages its liquidity risk by maintaining sufficient cash and available funding through committed credit facilities to enable it to meet its operational requirements and instalments for the New Builds.

In 2023, the Debt Facility was amended to increase the guarantee facility to EUR 60 million and to increase the committed revolving credit facility to EUR 250 million, resulting in an increase of the aggregate Debt Facility to EUR 310 million.

In connection with the Business Combination, on December 7, 2023 Cadeler entered into the New Debt Facility. The New Debt Facility has similar terms and conditions as the Debt Facility. The Cadeler Group will utilize the New Debt Facility to repay the outstanding amounts under the Eneti Credit Facility, which amounted to USD 59.4 million as at September 30, 2023 (of which Eneti repaid USD 12.6 million in October 2023 from the proceeds from the sale of Seajacks Hydra, Seajacks Leviathan and the Seajacks Kraken). In addition, Cadeler will repay the amounts under the Debt Facility amounting to EUR 115 million as of December 31, 2023.

On November 15, 2023, Cadeler entered into the Holdco Facility in an aggregate amount of EUR 50 million (5 year tenor) with HSBC. The proceeds of the Holdco Facility are to be used, amongst other purposes, for the partial funding of the wind installation activities of the Cadeler Group and for general corporate purposes. The financing includes a noncommitted accordion option of up to EUR 50 million. EUR 50 million has been drawn under the Holdco Facility. On March 7, 2024, the Holdco Facility was increased from EUR 50 million to EUR 80 million.

On December 22, 2023, Cadeler and two of its subsidiaries, WIND N1064 Limited and WIND N1063 Limited, entered into the P-Class Facility (12 year tenor) to finance the purchase of the P-Class New Builds. The funds under the P-Class Facility have been borrowed by WIND N1064 Limited and WIND N1063 Limited (the future owners of the P-Class New Builds) and may not be reborrowed once repaid. The P-Class Facility is secured by a guarantee from Cadeler, first priority mortgages to be granted over the P-Class New Builds, first priority assignments of the insurance policies and earnings of the P-Class New Builds by Cadeler and the two borrowers and contains customary financial and other covenants including certain change of control provisions. Further financing will be required from 2025 in connection with milestone payments for the new A-Class New Builds. The Cadeler Group's management expects to require approximately EUR 450 million of additional funding for the A-Class New Builds. The BW Group provided COSCO with a guarantee in respect of the sums owed by Cadeler pursuant to the contracts for the construction of the two P-Class New Builds and the two A-Class New Builds.

The following maturity table shows the contract obligation for the construction of the P-Class and A-Class vessels as of the dates indicated:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
As of December 31, 2023			
Obligation in USD millions	328	832	180
Obligation in USD (in EUR) millions	296	751	163
Obligation in EUR millions	69	99	6
Total obligations (in EUR)	365	850	169
As of December 31, 2022			
Obligation in USD millions	—	197	619
Obligation in USD (in EUR) millions	—	187	588
Obligation in EUR millions	13	69	105
Total obligations (in EUR)	13	256	693

For further information regarding interest-bearing loans and borrowings please refer to Note 24 to the Consolidated Financial Statements, "Financial Risk Management," in the Annual Report 2023.

Fair value measurement

The Cadeler Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

The principal or the most advantageous market must be accessible by the Cadeler Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In measuring the fair value of unlisted derivative financial instruments and other financial instruments for which there is no active market, fair value is determined using generally accepted valuation techniques. Market-based parameters such as market-based yield curves and forward exchange prices are used for the valuation.

The Cadeler Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Financial instruments for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as following accounting hierarchy:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Cadeler Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g., over-the-counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. Valuation techniques applied are primarily based on marked-based inputs of the instruments. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table shows the fair value measurement hierarchy of the Cadeler Group's assets and liabilities:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	(EUR million)			
December 31, 2023				
Derivatives assets	—	—	—	—
Total financial assets at fair value through income statement	—	—	—	—
Derivatives liabilities	—	(0.4)	—	(0.4)
Total financial liabilities at fair value through income statement	—	(0.4)	—	(0.4)
Cash flow hedges				
Derivatives assets	—	0.3	—	0.3
Cash flow hedges				
Derivatives liabilities	—	(17.9)	—	(17.9)
December 31, 2022				
Through income statement				
Derivative assets	—	0.4	—	0.4
Total financial assets at fair value through the income statement	—	0.4	—	0.4
Derivative liabilities	—	—	—	—
Total financial liabilities at fair value through the income statement	—	—	—	—
Cash flow hedges				
Derivative assets	—	3.0	—	3.0
Cash flow hedges				
Derivative liabilities	—	(2.1)	—	(2.1)

Derivative financial instruments

(a) Hedge accounting generally

The Cadeler Group uses forward exchange contracts and interest rate swap contracts to hedge currency risks and interest risk regarding highly probable future cash flows and designates them as cash flow hedges subject to meeting the criteria for the application of cash flow hedging.

Hedging ratios are determined as the notional value of the instrument divided by the notional value of the hedged item. The Cadeler Group seeks to establish hedge relationships with a hedging ratio of 1:1. This is generally possible either by designating only a portion of the notional value of the underlying instrument as a hedge instrument or by maintaining the hedge notional value such that it is equal to or lower than that of the hedge item. The principle driver for the ineffectiveness of certain of the Cadeler Group's hedging instruments arises from changes to the timing of the delivery of the New Build vessels. The delivery of the vessels will expose the Cadeler Group to several market risks, including foreign currency risks and interest rate risk. The fair value reserve of the derivatives used as hedging instruments is recognized in other comprehensive income until the hedged items are realized. The table below shows the movement in the reserves for cash flow hedges, listed by the hedged risk.

	2023	2022	2021
		(EUR million)	
Fair value change of cash flow hedges			
Cumulative fair value change at January 1	1.3	—	—
Fair value adjustment at year-end, net	(19.3)	1.3	—
Time value adjustment at year-end, net	(3.6)	—	—
Cumulative fair value change at December 31	(21.6)	1.3	—
The fair value of cash flow hedges at December 31 can be specified as follows:			
Interest rate risk hedging	(11.8)	3.2	—
Foreign currency risk hedging	(6.1)	(1.8)	—
Foreign currency risk hedging – time value	(3.6)	—	—
Cumulative fair value change at December 31	(21.6)	1.3	—

(b) Interest rate risk

In 2022, the Cadeler Group entered into the Debt Facility with a zero basis points floor, which led the Cadeler Group to be exposed to changes in the 3-month EURIBOR rate with respect to the current funding.

On October 5, 2022, the Cadeler Group entered into interest rate swap contracts with DNB which relate to the Debt Facility and future loans thereunder. The interest rate risk arising from the loans under the Debt Facility have been swapped from 3-month EURIBOR to a fixed rate until October 5, 2027. The average fixed rate of the swaps is 2.82%. Such interest rate swap contracts have been replaced by new contracts in connection with the New Debt Facility.

On November 15 2023, the Cadeler Group entered into the Holdco Facility in an aggregate amount of EUR 50 million (5 year tenor) with HSBC. The proceeds of the Holdco Facility are to be used, amongst other purposes, for the partial funding of the wind installation activities of the Cadeler Group and for general corporate purposes. The financing includes a noncommitted accordion option of up to EUR 50 million. On March 7, 2024, the Holdco Facility was increased from EUR 50 million to EUR 80 million.

In connection with the Business Combination, on December 7, 2023 the Group entered into the New Debt Facility, a new senior secured credit and guarantee facility of up to EUR 550 million. The New Debt Facility has similar terms and conditions as the Debt Facility.

Further, on December 22, 2023, the Cadeler Group entered into the P-Class Facility, a Sinosure-backed green term loan facility of up to EUR 425 million. The Cadeler Group entered into the P-Class Facility principally to finance the purchase of the P-Class New Builds.

In connection with the Business Combination, the Cadeler Group acquired a senior secured green term loan facility, which Eneti entered into in November 2023, of up to USD 436 million, the New Credit Facility, which finances approximately 65% of the purchase cost of the M-Class New Builds.

The new credit facilities expand the exposure of the Cadeler Group to changes in the 3M EURIBOR rate.

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Where the Cadeler Group enters into interest rate hedges, it seeks to match critical terms between the hedged item and the relevant hedge instrument. When it enters into a hedging transaction, the Cadeler Group assesses terms related to instalments on the facilities, the payment date for interest payments, and other instalment and timing differences in the maturity of the hedge item and the relevant hedge instrument. The principal expected causes of hedging ineffectiveness relate to changes to the expected date of delivery of the New Build vessels and the possibility of the 3-month EURIBOR rate falling below 0%.

The below table shows the profile of the nominal amount of the interest rate swaps and the fair values.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Fair Value	
				Asset	Liability
(Notional amount million)					
2023					
Interest rate Swap – EURIBOR 3M	—	—	555.0	—	(11.83)
2022					
Interest rate Swap – EURIBOR 3M	—	—	469.4	3.5	(0.3)
			<u>2023</u>	<u>2022</u>	<u>2021</u>
(EUR million)					
Movements in the hedging reserve					
Cumulative fair value change at January 1			3.2	—	—
Fair value adjustment for the year			(14.2)	2.7	—
Transferred to Financial expenses			(0.8)	0.4	—
December 31			(11.8)	3.2	—

(c) Foreign currency risk hedging

In 2021, the Cadeler Group entered into a binding contract for the construction of two P-Class vessels from COSCO. The contracts are partly settled in USD. The payments are due in 2024 and 2025. The currency exposure arising from the contracts has been swapped to EUR at the Company's banks at an average USD:EUR rate of 0.9187 for both 2023 and 2022.

In 2022, the Company signed additional contracts with COSCO to build the A-Class New Builds. The Company is exposed to changes in foreign exchange currency risk on its contractual obligation to acquire the A-Class New Builds due to the last instalments for such vessels being in USD. The last instalment shall be payable upon delivery of the last A-Class New Build.

The exposure to the variability in the future currency rate has been hedged by entering into six zero cost collar contracts with DNB, securing an average USD:EUR rate of between 0.8695 and 0.9466 for an additional USD 300 million of notional amount, bringing the total coverage to USD 500 million. As of December 31, 2023, the total coverage effectively mitigates around 50% of the Cadeler Group's foreign exchange risk for the upcoming USD instalments for the new P- and A-Class vessel contracts.

Where the Cadeler Group enters into foreign currency hedges, it seeks to match critical terms between the hedged item and the relevant hedge instrument. When it enters into a hedging transaction, the Cadeler Group assesses terms related to the payment date of the instalment to be paid in a foreign currency and the maturity of the hedged item and the relevant hedge instrument. The principal expected causes of hedging ineffectiveness relate to changes to the expected date of delivery of the New Build vessels. The below table shows the profile of the nominal amount of the interest rate swaps and the fair values.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Fair Value	
				Asset	Liability
	(Notional amount USD million)			(EUR million)	
2023					
FX forward contracts – U.S. dollar	150.0	50.0	—	—	(5.3)
Option collars – U.S. dollar	—	250.0	50.0	—	(4.4)
2022					
FX forward contracts – U.S. dollar	—	200.0	—	—	(1.8)
				2023	2022
				(EUR million)	
Movements in the hedging reserve					
January 1			(1.8)	—	—
Fair value adjustment for the year – FX forward contracts			(3.5)	(1.8)	—
Fair value adjustment for the year – Option collars			(0.8)	—	—
Time value adjustment for the year			(3.6)	—	—
December 31			(9.7)	(1.8)	—

General Accounting Policies and Significant Accounting Estimates

For information on the Cadeler Group’s general accounting policies and significant accounting estimates and judgments, see Note 2 to the Consolidated Financial Statements, “Material Accounting Policies Information,” in the Annual Report 2023.

C. Research and development, patents and licenses, etc.

Reference is made to the section titled “Finance Review—Research and development activities” at page 19 of the Annual Report 2023 for research and development activities.

D. Trend information

Reference is made to the section titled “2024 Outlook” on page 36 of the Annual Report 2023, except that where references are made to EBITDA and Adjusted EBITDA they should be replaced by Adjusted EBITDA and Adjusted EBITDA excluding special items, respectively (see also Item 5.A “Operating Results—Non-IFRS Financial Measures” of this Annual Report on Form 20-F).

E. Critical accounting estimates

Reference is made to Note 2 to the Consolidated Financial Statements, “Material Accounting Policies Information,” in the Annual Report 2023.

Item 6. Directors, Senior Management and Employees

A. Directors and senior management

Reference is made to the section titled “Corporate Governance” on pages 31-32 and 34 of the Annual Report 2023 for the names, qualifications, principal positions held outside of Cadeler, and date of birth for the members of the Cadeler Board and the members of Cadeler’s executive management, respectively.

B. Compensation

For compensation data in respect of the members of the Cadeler Board, reference is made to the section titled “Board of Directors” on pages 5-6 of the Remuneration Report 2023.

For compensation data in respect of the members of the Company’s executive management, reference is made to the section titled “Executive Management” on pages 7-10 of the Remuneration Report 2023.

C. Board practices

Reference is made to the section titled “Corporate Governance” on pages 31-32 of the Annual Report 2023 for the year of election and current election period for each member of the Cadeler Board. Reference is made to page 34 of the Annual Report 2023 for the year of appointment of each member of Cadeler’s executive management.

Directors’ service contracts

Mikkel Gleerup and Peter Brogaard Hansen, as the Chief Executive Officer and the Chief Financial Officer of Cadeler, respectively, are, under their respective service contracts, entitled to a notice period of 12 months if the employment is terminated by Cadeler. Subject to certain conditions, Cadeler may terminate the employment of the Chief Executive Officer and the Chief Financial Officer upon one month’s notice in the case of long-term illness. Each of the Chief Executive Officer and the Chief Financial Officer may terminate their respective employment upon six months’ notice. Neither the Chief Executive Officer nor the Chief Financial Officer is entitled to severance pay, except in accordance with the Danish Salaried Employees Act.

Under their respective service contracts, the Chief Executive Officer and the Chief Financial Officer are subject to noncompetition clauses for a period of six months after their respective employment has ended. During the restricted period, each of the Chief Executive Officer and the Chief Financial Officer are entitled to compensation corresponding to 40% of their remuneration at the time their respective employment ended. Such compensation will be reduced if the Chief Executive Officer or the Chief Financial Officer, respectively, commences an independent business or obtains a new employment during the relevant restricted period.

Audit committee

The Cadeler Board has established an audit committee. The primary purposes of the audit committee are to:

- assist the Cadeler Board in discharging its duties relating to the safeguarding of assets; the operation of adequate systems and internal controls; control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- provide support to the Cadeler Board on the risk profile and risk management of Cadeler.

The audit committee reports and makes recommendations to the Cadeler Board, but the Cadeler Board retains responsibility for implementing such recommendations.

Remuneration committee

The Cadeler Board has established a remuneration committee. The primary purpose of the remuneration committee is to advise the Cadeler Board on salaries and other remuneration for Cadeler’s senior management and the Cadeler Board. The remuneration committee reports and makes recommendations to the Cadeler Board, but the Cadeler Board retains responsibility for implementing such recommendations.

D. Employees

Reference is made to the section titled “Reporting on Sustainability—Cadeler as a Workplace” on pages 62-64 of the Annual Report 2023 and Note 7 to the Consolidated Financial Statements, “Employee Compensation,” in the Annual Report 2023 regarding the total number of full-time employees in Cadeler at year-end for the years 2020–2023.

The Cadeler Group’s executive management believes that the Company has a good relationship with its employees in general and with the labor unions relevant to certain Cadeler employees. See also Item 3.D. “Risk Factors—Risks Related to the Cadeler Group’s Business—Labor disruptions could materially adversely affect the Cadeler Group’s business and operations.”

E. Share ownership

The following table presents information regarding the total amount of Cadeler Shares directly or indirectly owned by members of the Cadeler Board and Cadeler’s senior management as of February 29, 2024 (excluding shares underlying incentive programs):

Name of shareholder	Number of shares	% ⁽¹⁾
Cadeler Board		
Andreas Sohmen-Pao ⁽²⁾	68,671,728	19.57 %
Andrea Abt	—	—
Ditlev Wedell-Wedellsborg	—	—
Emanuele Lauro ⁽³⁾	*	*
James B. Nish	*	*
Jesper T. Lok	—	—
Executive management		
Mikkel Gleerup	—	—
Peter Brogaard Hansen	—	—

* Denotes a shareholding of less than 1%.

- (1) Calculated based on the holding of shares and votes disclosed in connection with the most recent major shareholders notification, which may have changed since such date.
- (2) Includes shares held by BW Altor. BW Altor is ultimately controlled by Andreas Sohmen-Pao who is also the Chair of the Cadeler Board.
- (3) Excludes shares held by Scorpio Holdings. Emanuele Lauro, Vice Chair of the Cadeler Board, is a director, Chief Executive Officer, and 10% stockholder of Scorpio Holdings Limited. See Item 7.A. “Major Shareholders.”

F. Disclosure of a registrant’s action to recover erroneously awarded compensation

None.

Item 7. Major Shareholders and Related Party Transactions

A. Major shareholders

As of the date of this Annual Report on Form 20-F, the issued share capital of Cadeler consisted of 350,929,868 ordinary shares, of which none were held in treasury.

There is no complete record of all holders of Cadeler Shares and therefore it is not possible to give an accurate breakdown of the geographical distribution of Cadeler’s share capital or of the number of shareholders by country of residence. Additionally, certain of the Cadeler Shares are held by brokers or other nominees and, as a result, the number of holders of record is not representative of the number of beneficial holders or of the residence of such beneficial holders. However, JPMorgan Chase Bank, N.A., our ADS Depositary, has informed us that as of February 29, 2024 the total number of ADRs outstanding was 28,452,467, representing approximately 32.43% of the Cadeler Group’s issued and outstanding share capital at that date. All of the Cadeler ADSs are held of record by the Depositary. For more information regarding our ADSs, see Item 12D below.

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Set forth below is information as of February 29, 2024 with respect to any shareholder who is known to Cadeler to be the beneficial owner of 5% or more of Cadeler's share capital or voting rights:

<u>Name of major Cadeler Shareholder</u>	<u>Number of shares</u>	<u>%⁽¹⁾</u>
BW Altor Pte. Ltd. ⁽²⁾	68,671,728	19.57 %
Scorpio Holdings Limited ⁽³⁾	42,427,183	12.09 %
Swire Pacific Limited	29,863,455	8.51 %

- (1) Calculated based on the holding of shares and votes disclosed in connection with the most recent major shareholders notification, which may have changed since such date.
- (2) BW Altor is ultimately controlled by Andreas Sohmen-Pao who is also the Chair of the Cadeler Board.
- (3) Emanuele Lauro, Vice Chair of the Cadeler Board, is a director, Chief Executive Officer, and 10% stockholder of Scorpio Holdings.

As part of BW Altor becoming a lead investor in Cadeler's initial public offering in November 2020, Swire Pacific and BW Altor entered into a memorandum of understanding on November 4, 2020, as amended pursuant to which BW Altor, subject to certain terms and conditions, was granted a right of first refusal to purchase a number of Cadeler Shares held by Swire Pacific if Swire Pacific wishes to sell such Cadeler Shares. However, the right of first refusal does not apply in the event that Swire Pacific accepts an offer from a third party for all Cadeler Shares.

As a result of the Business Combination, there has been a significant change in the percentage ownership held by Cadeler's major shareholders. For a discussion of the major shareholdings in Cadeler prior to the Business Combination, reference is made to the section titled "Beneficial Ownership of Cadeler Securities" on pages 215-216 of the Prospectus.

Cadeler has only one share class. As a result, none of the above major shareholders hold voting rights which are different from those held by other Cadeler Shareholders and there are no Cadeler Shares that carry special rights relating to the control of Cadeler. All Cadeler Shares carry one vote per nominal value of DKK 1.00.

To the knowledge of Cadeler's management: Cadeler is not directly or indirectly owned or controlled by (a) another corporation or (b) any foreign government. Cadeler's management is not aware of Cadeler being owned or controlled, directly or indirectly, by any third party, or of any agreements that could later result in any third party taking over control of Cadeler. To the knowledge of Cadeler's management, Cadeler has no controlling shareholder.

B. Related party transactions

For information on related party transactions, reference is made to Note 27 to the Consolidated Financial Statements, "Related Party Transactions," in the Annual Report 2023.

C. Interests of experts and counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

The Consolidated Financial Statements and Notes to the Consolidated Financial Statements on pages 93-170 of the Annual Report 2023 are incorporated herein by reference. See also Item 18 "Financial Statements."

In accordance with Rule 405(a)(3) under Regulation S-T, this information (including tabular data) is reproduced under this Item tagged with Inline XBRL formatting, at the end of this Annual Report on Form 20-F.

Legal proceedings

The Cadeler Group is not aware of any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened, that may have had in the recent past, or may have in the future, a significant effect on Cadeler or the Cadeler Group's financial position or profitability.

The Cadeler Group is currently assisting its manning company in respect of the following claims brought by four seafarers involved in the Wind Osprey crane incident in 2018: (i) one personal injury claim filed against Cadeler in English courts which was settled in 2022, (ii) two personal injury claims filed in the Scottish courts where jurisdiction has been contested, (iii) one unfair dismissal claim filed in the Irish courts that was dismissed and (iv) one expected personal injury claim which is time-barred. It is unclear if the seafarer will seek to bring the claim in another jurisdiction where the claim may not be time-barred. The four seafarers were employed by the manning company. As of the date hereof, it is uncertain if the seafarers will succeed in their claims against Cadeler and, if so, at what quantum, as this depends on the applicable law, the basis for the seafarer's claims, the status of the seafarers' injuries and the quantification on their claims. It is not expected that their claims will have a significant effect on Cadeler's or the Cadeler Group's financial position or profitability.

Dividends

Cadeler has never paid any cash dividends on its shares. The Cadeler Board currently intends to retain any future earnings to support operations and to finance the growth and development of Cadeler's business and does not intend to pay cash dividends on its shares for the foreseeable future. Any future determination related to Cadeler's dividend policy will be made at the discretion of the Cadeler Board. In addition, Cadeler's credit facilities contain covenants restricting the payments of dividends.

Item 9. The Offer and Listing

A. Offer and listing details

The Cadeler Shares are listed on the OSE and traded under the symbol "CADLR." The Cadeler ADSs are listed on the NYSE and traded under the symbol "CDLR." See Exhibit 2.2 to this Annual Report on Form 20-F for a description of the Cadeler Shares.

B. Plan of distribution

Not applicable.

C. Markets

Reference is made to Item 9.A. hereof.

D. Selling shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the issue

Not applicable.

Item 10. Additional Information

A. Share capital

Not applicable.

B. Memorandum and articles of association

Reference is made to the section titled “Description of Cadeler Shares and Articles of Association,” on pages 267-276 of the Prospectus.

See also Exhibit 2.2 to this Annual Report on Form 20-F for a summary of certain material provisions of Cadeler’s Articles of Association, certain other constitutive documents and relevant Danish corporate law. See Exhibit 1.1 to this Annual Report on Form 20-F for Cadeler’s Articles of Association.

C. Material contracts

Reference is made to the sections titled “Business Combination Agreement and Other Transaction Agreements,” on pages 110-134 of the Prospectus and “Information about Cadeler—Material Agreements—Debt Facility,” on pages 149-150 of the Prospectus. Reference is also made to the section titled “Finance Review—The newbuilds (currently under construction)” on pages 14-17 of the Annual Report 2023. See also Item 5.B. “Liquidity and Capital Resources—Financing Arrangements” of this Annual Report on Form 20-F.

D. Exchange controls

Other than the Danish rules on screening of certain foreign direct investments (“FDI”), etc. in Denmark (the “Danish FDI Rules”) and applicable international trade and financial sanctions as outlined below, (i) there are no governmental laws, decrees, or regulations in Denmark (including, but not limited to, foreign exchange controls) that restrict the export or import of capital, or that affect the remittance of dividends, interest or other payments to nonresident holders of the Cadeler Shares or the Cadeler ADSs, and (ii) there are no limitations on the right of non-resident or foreign owners to hold or vote the Cadeler Shares or the Cadeler ADSs imposed by the laws of Denmark or the Articles of Association of the Company.

Under the Danish FDI Rules, a screening mechanism applies to foreign direct investments in certain sensitive sectors, if the foreign investor obtains at least 10% ownership or voting rights, or equivalent control by other means. Among such sensitive sectors are companies and entities within critical technology with activities comprised by technologies for industrial energy storage, energy conversion and critical infrastructure in Denmark with activities comprised by energy transport or electricity production, electricity storage capacity as well as transportation and supply of electricity that are necessary to restore or maintain the energy functions that are important for the society. If a contemplated foreign direct investment in Cadeler is considered to fall within the scope of the mandatory screening mechanism, the foreign investor is required to apply for prior authorization with the Danish Business Authority. FDI filings, notifications or approvals may under certain circumstances also be required in non-Danish jurisdictions.

If a foreign investor fails to comply with the Danish FDI Rules, the Danish Business Authority may impose restrictions, inter alia, ordering to reverse the investment or to suspend the foreign investor’s voting rights.

International trade and financial sanctions are continually evolving. If applicable, such international trade and financial sanctions may under certain circumstances prevent the possibility of export and import of capital, and affect the remittance of dividends, interests and other payments to the non-resident holders of the Cadeler Shares or the Cadeler ADSs. In addition, international trade and financial sanctions may also restrict the right of non-resident or foreign owners to acquire, transfer, hold or vote the Cadeler Shares and Cadeler ADSs. Failure to comply with international trade and financial sanctions can lead to criminal and civil liability.

E. Taxation

Danish taxation

The following summary outlines certain Danish tax consequences to U.S. Holders (as defined below):

Withholding tax

Generally, Danish withholding tax is deducted from dividend payments to U.S. Holders at a 27% rate, the rate generally applicable to non-residents in Denmark without regard to eligibility for a reduced treaty rate. Under the Current Convention between the Government of the United States of America and the Government of the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Current Convention"), the maximum rate of Danish tax that may be imposed on a dividend paid to a U.S. Holder that does not have a "permanent establishment" (as defined therein) in Denmark to which the Cadeler ADSs are allocated for tax purposes is generally 15% and, for certain pension funds, 0% (each, the "Treaty Rate"). U.S. Holders eligible for the Treaty Rate may apply to the Danish tax authorities to obtain a refund to the extent that the amount withheld reflects a rate in excess of the Treaty Rate (any such amount, the "Excess Withholding Tax").

Any U.S. Holders of Cadeler ADSs wishing to apply for a refund of Excess Withholding Tax will have to provide a Danish Claim for Refund of Danish Dividend Tax, a properly completed U.S. Internal Revenue Service Form 6166 and additional documentation including: proof of dividend received; proof of ownership of the Cadeler ADSs and eligibility for the dividend received and proof that the dividend received was reduced by an amount corresponding to the Danish withholding tax. These documentation requirements may be expanded and may be subject to change. Refund claims must be filed within the three-year period following the date in which the dividend was paid in Denmark.

Information on tax reclaims, how they should be filed and the requisite tax forms may be obtained from:

JPMorgan Chase Bank, N.A.
c/o Goal Global Recoveries Inc
5 Hanover Square, Suite 2300
1 New York Plaza, 34th Floor
New York, NY 10004
+1 (212) 248 9130

U.S. Holders should consult their tax advisers regarding dividend withholding tax refunds.

Sale or exchange of Cadeler ADSs or Cadeler Shares

Any gain or loss realized on the sale or other disposition of Cadeler ADSs or Cadeler Shares by a U.S. Holder that is not either a resident of Denmark or a corporation that is doing business in Denmark is not subject to Danish taxation. In addition, any non-resident of Denmark may remove from Denmark any convertible currency representing the proceeds of the sales of Cadeler ADSs or Cadeler Shares in Denmark.

Material U.S. Federal Income Tax Considerations

The following is a description of material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of Cadeler ADSs or Cadeler Shares. This discussion applies only to U.S. Holders that hold Cadeler ADSs or Cadeler Shares as "capital assets" within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") (generally, property held for investment). Further, this discussion does not address all aspects of U.S. federal income taxation that might be relevant to U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment under U.S. federal income tax laws, such as, for example:

- dealers or certain electing traders in securities that are subject to mark-to-market tax accounting rules;
- banks and certain other financial institutions;
- insurance companies;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- partnerships or other entities classified as partnership for U.S. federal income tax purposes and their partners or investors;
- regulated investment companies;
- real estate investment trusts;
- persons whose functional currency is not the U.S. dollar;
- persons that hold Cadeler ADSs or Cadeler Shares as part of a straddle or other integrated transaction;

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- persons that hold Cadeler ADSs or Cadeler Shares in connection with a trade or business conducted outside the United States;
- persons that acquired Cadeler ADSs or Cadeler Shares pursuant to the exercise of employee stock options or otherwise as compensation;
- persons that acquired Cadeler ADSs or Cadeler Shares on or prior to the Business Combination; or
- persons that own (directly, indirectly or constructively) 10% or more of Cadeler ADSs or Cadeler Shares by vote or value).

If an entity or arrangement classified as a partnership for U.S. federal income tax purposes owns Cadeler ADSs or Cadeler Shares, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Entities classified as partnerships for U.S. federal income tax and their partners should consult their tax advisers regarding the tax consequences of the ownership and disposition of Cadeler ADSs or Cadeler Shares in their specific circumstances.

This discussion is based on the Code, proposed, temporary and final Treasury regulations promulgated under the Code, and judicial and administrative interpretations thereof, as well as the income tax treaty between the United States and Denmark (the “U.S.-Denmark Treaty”), all as of the date hereof. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax considerations described herein. This discussion does not address alternative minimum or Medicare contribution tax considerations, the special tax accounting rules under Section 451(b) of the Code, or U.S. federal taxes other than those pertaining to U.S. federal income taxation (such as estate or gift taxes), nor does it address any aspects of U.S. state, local or non-U.S. taxation. This discussion assumes that each obligation under the deposit agreement for the Cadeler ADSs and any related agreement will be performed in accordance with its terms.

This discussion does not address any specific consequences to former Eneti shareholders that acquired Cadeler ADSs pursuant to the Business Combination. Former Eneti shareholders should review the Prospectus for additional information regarding any effect that the Business Combination, or Eneti’s PFIC status for any taxable year, may have on the former Eneti shareholders’ ownership of Cadeler ADSs or Cadeler Shares in their particular circumstances.

For purposes of this discussion, a “U.S. Holder” is a person that is, for U.S. federal income tax purposes, a beneficial owner of Cadeler ADSs or Cadeler Shares and:

- an individual citizen or resident of the United States,
- a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state therein or the District of Columbia, or
- an estate or trust the income of which is includible in gross income regardless of its source.

In general, a U.S. Holder that owns Cadeler ADSs will be treated as the owner of the underlying Cadeler Shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges Cadeler ADSs for the underlying Cadeler Shares represented by those ADSs.

THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF CADELER ADSS OR CADELER SHARES. U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISERS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF CADELER ADSS OR CADELER SHARES, INCLUDING THE APPLICABILITY AND EFFECTS OF U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX LAWS.

Dividends

The following is subject to the discussion under “— Passive foreign investment company rules” below.

Distributions received by a U.S. Holder on the Cadeler ADSs or Cadeler Shares, including the amount of any Danish taxes withheld, other than certain *pro rata* distributions of shares to all shareholders, will constitute dividend income to the extent paid out of Cadeler’s current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Because Cadeler does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Dividends will be included in a U.S. Holder’s income on the date of receipt by the depository (in the case of Cadeler ADSs) or the U.S. Holder (in the case of Cadeler Shares). The amount of dividend income paid in DKK that a U.S. Holder will be required to include in income will equal the U.S. dollar value of the distributed DKK, calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is converted into U.S. dollars on such date. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of its receipt. Corporate U.S. Holders will not be entitled to claim a dividends-received deduction with respect to dividends paid by Cadeler. Subject to applicable limitations, dividends received by certain non-corporate U.S. Holders may be taxable at rates applicable to long-term capital gains. Non-corporate U.S. Holders should consult their tax advisers to determine whether they are subject to any special rules that limit their ability to be taxed at these favorable rates.

Dividends will be treated as foreign-source income and will include any amounts withheld therefrom in respect of Danish taxes. Non-refundable Danish taxes withheld from dividends on the Cadeler ADSs or Cadeler Shares (at a rate not in excess of any applicable rate under the U.S.- Denmark Treaty, in the case of a U.S. Holder that qualifies for the benefits of the U.S.-Denmark Treaty) will generally be creditable against a U.S. Holder’s U.S. federal income tax liability, subject to applicable limitations that vary depending upon the U.S. Holder’s circumstances and the discussion below regarding the impact of certain Treasury regulations. The rules governing foreign tax credits are complex. For example, under Treasury regulations, in the absence of an election to apply the benefits of an applicable income tax treaty, in order to be creditable, non-U.S. income tax rules must be consistent with certain U.S. federal income tax principles, and no determination has been made as to whether the Danish income tax system meets these requirements. The IRS has released notices that provide relief from certain of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). In lieu of claiming a credit, a U.S. Holder may be able to elect to deduct non-U.S. taxes, including the Danish taxes, in computing its taxable income, subject to generally applicable limitations. An election to deduct creditable non-U.S. taxes (instead of claiming foreign tax credits) applies to all otherwise creditable non-U.S. taxes paid or accrued in the taxable year. U.S. Holders should consult their tax advisers regarding the creditability or deductibility of Danish taxes imposed on dividends in their particular circumstances.

Sale or other taxable disposition

The following is subject to the discussion under “—Passive foreign investment company rules” below.

A U.S. Holder will generally recognize U.S.-source capital gain or loss on the sale or other taxable disposition of the Cadeler ADSs or Cadeler Shares. Any gain or loss will be long-term capital gain or loss if the holding period of the Cadeler ADSs or Cadeler Shares exceeds one year. The amount of the U.S. Holder’s gain or loss will be equal to the difference between such U.S. Holder’s tax basis in the Cadeler ADSs or Cadeler Shares sold or disposed of and the amount realized on the sale or disposition, each as determined in U.S. dollars.

Passive foreign investment company rules

In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income. For the purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the stock of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, investment gains and certain rents and royalties, but does not include income received as compensation for services. Cash and cash equivalents are generally treated as passive assets. Goodwill and other intangible assets are generally treated as active assets to the extent associated with activities that generate non-passive income.

Cadeler's gross income consists primarily of gross income from time charter hire services contracts with customers where the Cadeler Group utilizes its vessels, equipment and crew to deliver a service to the customer based on either a fixed day rate or milestone deliverables. Customers cannot charter a vessel from the Cadeler Group without also receiving the relevant wind turbine installation, engineering or maintenance services from the vessel's crew. While the treatment of the gross income from time charter hire services for purposes of the PFIC rules is unclear, Cadeler intends to take the position that such income is non-passive income from services (rather than rental income). This position is based on general U.S. federal income tax law principles and court decisions that distinguish between income from services and rental income for other tax purposes. However, there is a court decision that characterized time charter income as rental income, rather than income from services, for another (not PFIC) tax purpose. Although the IRS indicated that it disagreed with that court decision, and although the facts of the court case may be different from Cadeler's business model, there is no assurance that the IRS or a court will not treat Cadeler's gross income from time charter hire services contracts as rental income, in which case the income (and the assets that produce it) may be treated as passive, unless the income is treated as derived in an active conduct of a trade or business under relevant Treasury regulations.

Assuming that Cadeler's gross income from time charter hire services contracts with customers is not passive income, Cadeler does not believe it was a PFIC for 2023. However, Cadeler's PFIC status for any taxable year is an annual factual determination that can be made only after the end of that year, and will depend, among other things, on the composition and character of its income and assets and the value of its assets from time to time (including the value of its goodwill and other intangible assets, which may be determined, in part, by reference to its market capitalization, which could be volatile). Accordingly, there can be no assurance that Cadeler will not be a PFIC for any taxable year. Cadeler has not attempted to make any determination, and thus does not express a view, regarding its PFIC status for any taxable year prior to the taxable year in which the Business Combination took effect.

If Cadeler is a PFIC for any taxable year during a U.S. Holder's holding period of the Cadeler ADSs or Cadeler Shares, Cadeler will generally continue to be a PFIC with respect to the U.S. Holder for any subsequent taxable year, even if Cadeler ceases to be a PFIC for any future taxable year. In that case, gain recognized upon a disposition (including, under certain circumstances, a pledge) of the Cadeler ADSs or Cadeler Shares by a U.S. Holder generally will be allocated ratably over the U.S. Holder's holding period of such Cadeler ADSs or Cadeler Shares. The amounts allocated to the taxable year of the disposition and to any year before Cadeler became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest tax rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge will be imposed on the tax allocated to each taxable year. Further, to the extent that distributions which a U.S. Holder receives on the Cadeler ADSs or Cadeler Shares in any taxable year exceed 125% of the average of the annual distributions on the ADSs or shares that the U.S. Holder received during the preceding three taxable years or its holding period, whichever is shorter, the excess distributions will be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments of the Cadeler ADSs or Cadeler Shares (such as a market-to-market election for any taxable year in which Cadeler is a PFIC if the Cadeler ADSs or Cadeler Shares, as applicable, are "marketable stock," or a "deemed sale" election in the event that Cadeler is a PFIC for any taxable year but ceases to be a PFIC thereafter). U.S. Holders should consult their tax advisers regarding whether, if Cadeler is or becomes a PFIC, any of these elections would be available and, if so, what the consequences of the alternative treatments would be in the U.S. Holders' particular circumstances. In addition, non-corporate U.S. Holders will not be eligible for reduced rates of taxation applicable to "qualified dividend income" on any dividends received from Cadeler if Cadeler is a PFIC (or is treated as a PFIC with respect to a U.S. Holder) for the taxable year in which the dividends are paid or the preceding taxable year.

If Cadeler is a PFIC for any taxable year during which a U.S. Holder owns Cadeler ADSs or Cadeler Shares, such U.S. Holder generally will be subject to specified reporting obligations. U.S. Holders should consult their tax advisers regarding the potential application of the PFIC rules to their ownership of Cadeler ADSs or Cadeler Shares.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) the U.S. Holder is a corporation or other "exempt recipient" (and establishes that status if required to do so) or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders who are individuals (and certain specified entities) may be required to report information relating to their ownership of Cadeler ADSs or Cadeler Shares, or non-U.S. accounts through which they are held.

F. Dividends and paying agents

Not applicable.

G. Statements by experts

Not applicable.

H. Documents on display

Documents referred to and filed with the SEC together with this Annual Report on Form 20-F can be read and copied at the SEC's public reference room located at 100 F Street, NE, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms.

Copies of this Annual Report on Form 20-F as well as the Annual Report 2023 and Remuneration Report 2023 can be downloaded from the investors page at www.cadeler.com. The contents of this website are not incorporated by reference into this Annual Report on Form 20-F. This Annual Report on Form 20-F is also filed and can be viewed via EDGAR on www.sec.gov.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Cadeler intends to submit any annual report provided to security holders in electronic format as an exhibit to a current report on Form 6-K.

Item 11. Qualitative and Quantitative Disclosures About Market Risk

Reference is made to the section titled "Finance Review—Special Risks" on pages 19-21 of the Annual Report 2023.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Cadeler's American Depositary Receipt ("ADR") program is administered by JPMorgan Chase Bank, N.A as Depositary (JPMorgan Chase Bank, N.A., 383 Madison Avenue, Floor 11, New York, United States). The Cadeler ADSs are traded under the symbol "CDLR" on the NYSE. Each Cadeler ADS represents four (4) Cadeler Shares. The Cadeler Shares underlying the Cadeler ADSs are admitted to trading under the symbol "CADLR" on the OSE and not on the NYSE, where they are only admitted for listing.

The Depositary distributes relevant notices, reports and proxy materials to the holders of the Cadeler ADSs. When dividends are paid to Cadeler Shareholders, the Depositary converts the amounts into U.S. dollars and distributes the dividends to the holders of the Cadeler ADSs. See Exhibit 2.2 to this Annual Report on Form 20-F for a description of the rights of holders of the Cadeler ADSs.

The holder of a Cadeler ADS may have to pay the following fees and charges related to services in connection with the ownership of the Cadeler ADS up to the amounts set forth in the table below.

<u>Service</u>	<u>Fee</u>
Issuance or delivery of a Cadeler ADS, surrendering of a Cadeler ADS for delivery of a Cadeler Share, reduction or cancellation of a Cadeler ADS, including issuance, delivery, reducing, surrendering or cancellation in connection with share distributions, stock splits, rights and mergers	A maximum of USD 5.00 for each 100 Cadeler ADSs (or portion thereof), to be paid to the Depositary
Distribution of cash or elective cash/stock dividend offered to the holder of the Cadeler ADS	A maximum of USD 0.05 per Cadeler ADS, to be paid to the Depositary
Direct or indirect distribution of securities (other than Cadeler ADSs or rights to purchase additional Cadeler ADSs) or the net cash proceeds from the public or private sale of any such securities	A maximum of USD 0.05 per Cadeler ADS, to be paid to the Depositary
Services performed by the Depositary in administering the Cadeler ADSs	A maximum of USD 0.05 per Cadeler ADS (or portion thereof), to be paid to the Depositary
Servicing of the Cadeler Shares, the sale of securities, the delivery of the Cadeler Shares or otherwise in connection with the Depositary's compliance with applicable law, rule or regulation	Reimbursement of charges and expenses as necessary
Taxes and other governmental charges payable by the holder of the Cadeler ADS or persons depositing Cadeler Shares	As necessary
A transaction fee per cancellation request and any applicable delivery expenses	As necessary
The registration or transfer of Cadeler Shares on any applicable register in connection with the deposit or withdrawal of Cadeler Shares	As necessary

The Depositary may make available to Cadeler a set amount or a portion of the Depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as Cadeler and the Depositary may agree from time to time. The Depositary collects its fees for issuance and cancellation of Cadeler ADSs directly from investors depositing Cadeler Shares or surrendering Cadeler ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for Depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The Depositary will generally set off the amounts owing from distributions made to holders of Cadeler ADSs. If, however, no distribution exists and payment owing is not timely received by the Depositary, the Depositary may refuse to provide any further services to ADR holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the Depositary, all fees and charges owing under the Deposit Agreement are due in advance and/or when declared owing by the Depositary.

The Depositary may agree to reduce or waive certain fees, charges and expenses provided in the ADRs and in the Deposit Agreement, including, without limitation, those described above that would normally be charged on Cadeler ADSs issued to or at the direction of, or otherwise held by, Cadeler and/or certain ADR holders and beneficial owners and holders and beneficial owners of Cadeler Shares.

The Depositary has agreed to reimburse certain reasonable expenses related to Cadeler's ADR program and incurred by Cadeler in connection with the program. In the year ended December 31, 2023, Cadeler did not receive any payment from the Depositary.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

Disclosure controls and procedures

Cadeler maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports that Cadeler files or submits under the U.S. Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, and such disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in reports that Cadeler files or submits under the U.S. Exchange Act is accumulated and communicated to Cadeler's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Cadeler's management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of Cadeler's disclosure controls and procedures as of December 31, 2023. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2023, as a result of the material weaknesses in Cadeler's internal control over financial reporting described below, the design and operation of Cadeler's disclosure controls and procedures were not effective.

In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Management's annual report on internal control over financial reporting and attestation report of the registered public accounting firm

This Annual Report on Form 20-F does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the Company's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

This Annual Report on Form 20-F does not include an attestation report of Cadeler’s registered public accounting firm also due to rules of the SEC according to which non-accelerated filers, which Cadeler is, and emerging growth companies, which Cadeler also is, are not required to provide such attestation requirement.

Changes in internal control over financial reporting

Except as described below, there were no changes in the Company’s internal control over financial reporting that occurred during the period covered by this Annual Report on Form 20-F that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Material Weakness in Internal Control over Financial Reporting

In connection with the audits of its financial statements for the years ended December 31, 2023, 2022 and 2021, the Cadeler Group and its independent registered public accounting firm have identified material weaknesses related to the Cadeler Group’s internal control over financial reporting driven by (i) a lack of formalized risk assessment and documented procedures in relation to the Company’s business processes and entity level controls, lack of evidence of performing internal controls including the completeness and accuracy of information used in the execution of controls, and lack of monitoring control activities, and (ii) lack of internal controls over change management and access management in the relevant financial IT systems required to support effective internal control framework. The Cadeler Group believes that these material weaknesses continue to exist as of the date hereof.

As defined in the standards established by the PCAOB, a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Cadeler Group’s annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relate to existing processes to assess risk and to design and implement effective control activities. In particular, the Cadeler Group does not have formalized risk assessment, oversight and compliance processes or formalized control descriptions for all key controls. Where process and control descriptions do exist, they do not necessarily include all relevant information to enable the operating effectiveness of such controls. Where control activities are dependent on IT applications or certain information or reports, currently there are no documented internal controls to assess the completeness and accuracy of such information. The Cadeler Group also does not currently monitor control activities and identified control deficiencies; thus, the Cadeler Group is unable to evaluate whether other deficiencies, individually or in combination, result in a reasonable possibility that a material misstatement of the financial statements would not be prevented or detected on a timely basis.

The Cadeler Group has recently initiated steps aimed at remediation of the identified material weaknesses and strengthening of internal control over financial reporting such as development and implementation of formal processes, internal controls (including IT general controls covering access and change management as well as cyber risks), and documentation relating to financial reporting and expects this project to be completed in the first half of 2024, with the updated internal control framework to begin operating in the first half of 2024, although the project may take longer than currently expected. The remediation plan and actions that the Cadeler Group is taking are subject to ongoing executive management review and will also be subject to audit committee oversight.

However, the Cadeler Group’s remediation plan and related actions may not fully address the material weaknesses identified in its internal controls over financial reporting and the Cadeler Group cannot guarantee that it will be successful in remediating the material weaknesses that it has identified to date. A failure to remediate such material weaknesses or a failure to discover and address any other material weaknesses or significant deficiencies in the future could result in inaccuracies in the Cadeler Group’s consolidated financial statements and impair its ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. See also Item 3.D. “Risk Factors—Risks Related to the Cadeler Group’s Business—The Cadeler Group has identified material weaknesses in internal control over financial reporting. If the Cadeler Group fails to maintain an effective system of internal control over financial reporting, it may not be able to accurately report financial results in a timely manner or prevent fraud, which may adversely affect its business and the market price of the Cadeler ADSs and Cadeler Shares.”

Item 16A. Audit Committee Financial Expert

Reference is made to page 32 of the Annual Report 2023 for the name, position and experience of the members of the Audit Committee.

James Nish is designated as the Audit Committee financial expert as defined by the SEC. All members of the Audit Committee qualify as independent as defined by the U.S. Exchange Act and the NYSE Corporate Governance Standards applicable to listed companies as described in Section 303A of the NYSE Listed Company Manual (the “NYSE Standards”).

Item 16B. Code of Ethics

Cadeler has in place a Code of Conduct which applies to its employees, officers, including the Chief Executive Officer and Chief Financial Officer, and directors. Cadeler’s Code of Conduct describes the general principles on business conduct and ethics which are essential to enable Cadeler to operate responsibly as a business and achieve commercial success, and address a number of the topics required by the Sarbanes-Oxley Act and the NYSE Standards.

Cadeler’s Code of Conduct may be found on Cadeler’s website at www.cadeler.com (the contents of Cadeler’s website are not incorporated by reference into this Annual Report on Form 20-F).

Item 16C. Principal Accountant Fees and Services

Reference is made to Note 4 to the Consolidated Financial Statements, “Expenses by Nature—Auditor remuneration,” in the Annual Report 2023 regarding fees paid to Cadeler’s statutory auditors.

The audit opinion of EY Godkendt Revisionspartnerselskab (PCAOB Firm ID1757) is included in Item 18.

Pre-approval policies

The Audit Committee assesses and pre-approves all audit and non-audit services provided by the statutory auditors. The pre-approval includes the type of service and a fee budget. Furthermore, the Audit Committee receives regular updates on actual services provided and fees realized.

Item 16D. Exemptions from the Listing Standards for Audit Committees

None.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant’s Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Cadeler is a public limited company incorporated in Denmark and the Cadeler Shares are admitted to trading on the OSE. Cadeler therefore follows the Norwegian Code of Practice for Corporate Governance issued on October 14, 2021 (the “Norwegian Code of Practice”) and applicable Danish law in respect of its corporate governance practices.

The Cadeler ADSs are listed on the NYSE and Cadeler is therefore required to comply with certain U.S. securities laws and regulations, including the Sarbanes-Oxley Act, and the NYSE Standards. As a foreign private issuer, Cadeler is permitted to follow the corporate governance practice of its home country in lieu of certain provisions of the NYSE Standards. Specifically, Cadeler complies with the requirements of Sections 303A.06, 303A.11, 303A.12(b) and (c), and 303A.14 of the NYSE Listed Company Manual but otherwise follows its home country practice in lieu of the remaining requirements of Section 303A of the NYSE Listed Company Manual.

Below is a brief summary of the corporate governance practices adopted by Cadeler as a foreign private issuer that differ from those adopted by U.S. domestic issuers under the NYSE Standards:

Independence requirements

Under the NYSE Standards, listed companies must have at least a majority of independent directors and no director qualifies as “independent” unless the Board of Directors has affirmatively determined that the relevant director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company).

The Cadeler Board has determined whether Cadeler Board members qualify as independent in accordance with the Norwegian Code of Practice (provided that the Cadeler Board has determined whether members of the Audit Committee qualify as independent pursuant to Rule 10A-3 under the Securities Exchange Act), rather than the NYSE Standards.

The Nomination Committee

Under Section 303A.04 of the NYSE Listed Company Manual, U.S. domestic issuers are generally required to have a nominating/corporate governance committee composed entirely of independent directors, and further provide that the nomination committee must have a written charter addressing certain specified duties.

Cadeler has a nomination committee, the members of which qualify as independent under the Norwegian Code of Practice, however, the composition of Cadeler’s nomination committee is determined by the election of its shareholders at each annual general meeting and, consistent with the Norwegian Code of Practice, members of the nomination committee are not required to be, and are not currently, members of the Cadeler Board. Cadeler’s Articles of Association and its Corporate Governance Policy provide that the nomination committee shall consist of two or three members who shall be shareholders or shareholder representatives, each of whom is elected for a term of one or two years. Cadeler’s nomination committee is required to make recommendations to the general meeting regarding the election of shareholder-elected members to the Cadeler Board and to the nomination committee but does not otherwise maintain a written charter consistent in scope with the requirements of the NYSE Standards.

The Remuneration Committee

Under the NYSE Standards, U.S. domestic issuers are generally required to have a compensation committee composed entirely of independent directors, each of whom must satisfy the heightened independence requirements specific to compensation committee membership set forth in Section 303A.02(a)(ii) of the NYSE Listed Company Manual. In addition, the NYSE Standards provide that the compensation committee must have a written charter that addresses certain specified duties.

Cadeler has a remuneration committee, the composition of which is determined by the Cadeler Board. In accordance with Cadeler’s Corporate Governance Policy, only members of the Cadeler Board are permitted to serve on the remuneration committee. When designating members to the remuneration committee, the Cadeler Board considers all factors relevant to determine whether any member of the remuneration committee has a relationship to Cadeler which is material to that director’s ability to be independent from management, though any such determination is made in accordance with the Norwegian Code of Practice rather than the independence requirements set out in the NYSE Standards. Cadeler’s remuneration committee is required to advise the Cadeler Board on salaries and other remuneration payable to the members of the Cadeler Board and Cadeler’s executive management but does not otherwise maintain a written charter consistent in scope with the requirements of the NYSE Standards.

The Audit Committee

In accordance with Section 303A.06 of the NYSE Listed Company Manual and Rule 10A-3 under the Securities Exchange Act, the Cadeler Board has an audit committee composed entirely of independent directors.

Under the NYSE Standards, however, U.S. domestic issuers are generally required to maintain an audit committee comprised of a minimum of three members and to have a written charter addressing certain specified duties and purposes. In addition, U.S. domestic issuers are generally required to have an internal audit function.

Consistent with the Norwegian Code of Practice, Cadeler does not require that its audit committee be comprised of three members and the audit committee may from time to time be, and currently is, comprised of two directors (provided that each shall have been determined to be independent in accordance with, or exempt from the requirements of, Rule 10A-3(b)(1) under the Securities Exchange Act). Cadeler's audit committee is responsible for oversight of, and reporting to, the Cadeler Board on the elements described in section 303A.07(b)(i)(A) of the NYSE Listed Company Manual but does not otherwise maintain a written charter consistent in scope with the requirements of the NYSE Standards. The Cadeler Group does not have an internal audit function.

Equity-compensation plans

Under Section 303A.08 of the NYSE Listed Company Manual, shareholders of U.S. domestic issuers must be given the opportunity to vote on all equity compensation plans and any material revisions thereto, with certain limited exceptions. Cadeler has a written remuneration policy describing its practices with respect to the remuneration of the Cadeler Board and Cadeler's executive management. In accordance with Danish law, that policy is subject to a binding shareholder vote at least once every four years. All incentive programs offered to the Cadeler Board and/or Cadeler's executive management must comply with the framework set out in the remuneration policy. The practice of voting on specific equity compensation plans is not customary in Denmark nor required under Danish law and, accordingly, Cadeler's equity compensation plans are not generally subject to shareholder approval.

CEO certification

Under Section 303A.12(a) of the NYSE Listed Company Manual, the chief executive officer of each U.S. domestic issuer must certify to the NYSE each year that he or she is not aware of any violation by the listed company of the NYSE Standards, qualifying the certification to the extent necessary. As permitted by the NYSE Standards and in accordance with Danish law and regulations (which do not contemplate such certifications), Cadeler does not intend to submit such certifications.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosures Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

Not applicable.

Item 16K. Cybersecurity

Cybersecurity risk management is an integral part of Cadeler's Health, Safety, Environmental and Quality (HSEQ) Management Principles & System.

Cadeler's overall cybersecurity program is based on the CIS Critical Security Controls ("CIS18"), supplemented by risk management procedures inspired by the ISO27001 security framework. These procedures include steps to assess the severity of cybersecurity threats across the Company, including the security onboard the Company's fleet of vessels, which are then consolidated into the Company's overall business risk register. Management is involved in these procedures and are updated yearly or in the case of major changes.

The controls implemented through the CIS18 framework ensure timely handling of relevant cybersecurity threats and incidents, including threats and incidents associated with the use of critical systems and applications provided by third-party service providers, for which relevant attestations are received. Cadeler's IT team also engages third-party security experts and strategic advisors for risk assessment, manual and technical security assessments of the infrastructure, system enhancements and penetration testing. In addition, Cadeler's IT team provides awareness training to employees and critical third parties and conducts simulated phishing attempts against all employees at least annually.

The Cadeler Board has overall oversight responsibility for Cadeler's risk management, and delegates cybersecurity risk management oversight to the audit committee. The audit committee ensures that management develops processes to identify and evaluate cyber security risks and implements systems to manage and mitigate cybersecurity incidents.

The audit committee also reports material cybersecurity risks to the Cadeler Board. Management is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs.

Cadeler's cybersecurity program is under the direction of the Chief Financial Officer who receives reports from Cadeler's IT team and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents. Cadeler's IT organization is supported by external experts and security advisors to ensure adequate implementation and verification of cybersecurity countermeasures and mitigation strategies.

Management, including the Chief Financial Officer, and Cadeler's IT team, regularly update the audit committee on the Company's cybersecurity program, material cybersecurity risks and mitigation strategies and provide cybersecurity reports quarterly that cover, among other topics, third-party assessments of the Company's cybersecurity program, developments in cybersecurity and updates to the Company's cybersecurity program and mitigation strategies.

In 2023, Cadeler did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect its business strategy, results of operations, or financial condition. However, despite its efforts, Cadeler cannot eliminate all risks from cybersecurity threats, or provide assurances that it has not experienced an undetected cybersecurity incident. For more information about these risks, please see Item 3.D. "Risk Factors—Risks Related to the Cadeler Group's Business—A cybersecurity attack could materially disrupt the Cadeler Group's business."

PART III

Item 17. Financial Statements

See response to Item 18.

Item 18. Financial Statements

The Consolidated Financial Statements and Notes to the Consolidated Financial Statements on pages 86-170 of the Annual Report 2023 are incorporated herein by reference.

In accordance with Rule 405(a)(3) under Regulation S-T, this information (including tabular data) is reproduced under Item 8 herein tagged with Inline XBRL formatting, at the end of this Annual Report on Form 20-F.

Reconciliation of non-IFRS financial measures

In the financial statements, Cadeler discloses certain financial measures of the Cadeler Group's financial performance, financial position and cash flows that reflect adjustments to the most directly comparable measures calculated and presented in accordance with IFRS. The inclusion of non-IFRS measures has been expressly permitted by the Danish Business Authority and thereby exempted from the prohibition in Item 10(e)(1)(ii)(C) of Regulation S-K. However, these non-IFRS financial measures may not be defined and calculated by other companies in the same manner and may thus not be comparable with such measures.

Reference is also made to Item 5.A "Operating Results—Non-IFRS Financial Measures" of this Annual Report on Form 20-F and the section titled "Cadeler Group's Management's Discussion & Analysis of Financial Condition and Results of Operations—Non-IFRS Financial Measures" on pages 157-158 in the Prospectus.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Cadeler A/S

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cadeler A/S (the Company) as of December 31, 2023, 2022, and 2021, the related consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ EY Godkendt Revisionspartnerselskab

We have served as the Company’s auditor since 2015.

Copenhagen, Denmark

March 26, 2024

Item 19. Exhibits

A. Annual Report

The following pages from the Annual Report 2023 (see Exhibit 15.1) are incorporated by reference into this Annual Report on Form 20-F. The content of websites, scientific articles and other sources referenced on these pages are not incorporated by reference into this Annual Report on Form 20-F.

	<u>Page(s) in the Annual Report</u>
Business Review	8-10
Finance Review	13-23
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Consolidated Financial Statements	
Consolidated Statement of Profit and Loss and Other Comprehensive Income for the years ended December 31, 2023, 2022 and 2021	87
Consolidated Balance Sheet as of December 31, 2023, 2022 and 2021	88
Consolidated Statement of Changes in Equity at December 31, 2023, 2022 and 2021	89-90
Consolidated Statement of Cash Flows for the years ended December 31, 2023, 2022 and 2021	91-92
Notes to the Consolidated Financial Statements	93-170

B. Remuneration Report

The following pages from the Remuneration Report 2023 (see Exhibit 15.2) are incorporated by reference into this Annual Report on Form 20-F. The content of websites, scientific articles and other sources referenced on these pages are not incorporated by reference into this Annual Report on Form 20-F.

	<u>Page(s) in the Remuneration Report</u>
Board of Directors	5-6
Executive Management	7-10

C. Prospectus

The following pages from the Prospectus (see Exhibit 15.3) are incorporated by reference into this Annual Report on Form 20-F. The content of websites, scientific articles and other sources referenced on these pages are not incorporated by reference into this Annual Report on Form 20-F.

	<u>Page(s) in the Prospectus</u>
Beneficial Ownership of Cadelar Securities	215-216
Description of Cadelar Shares and Articles of Association	267-276
Business Combination Agreement and Other Transaction Agreements	110-134
Information about Cadelar—Material Agreements—Debt Facility	149-150
Information about Cadelar—Competition	150-151
Cadelar Group’s Management’s Discussion & Analysis of Financial Condition and Results of Operations	157-162 and 165-166
Material Tax Consequences—Material U.S. Federal Income Tax Considerations	256-261

D. Exhibits

List of exhibits:

Exhibit No.	Description	Method of filing
1.1	Articles of Association of Cadeler	Filed together with this Annual Report on Form 20-F.
2.1	Description of the rights of Cadeler ADSs registered under Section 12 of the U.S. Exchange Act	Filed together with this Annual Report on Form 20-F.
2.2	Description of the rights of Cadeler Shares registered under Section 12 of the U.S. Exchange Act	Filed together with this Annual Report on Form 20-F.
4.1	Shipbuilding Contract for the Construction and Sale of One (1) Wind Turbine Installation Vessel, dated June 22, 2021, between Cadeler and COSCO SHIPPING (Qidong) Offshore Co., Ltd	Incorporated by reference to Exhibit 10.1 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.2	Shipbuilding Contract for the Construction and Sale of One (1) Wind Turbine Installation Vessel, dated June 22, 2021, between Cadeler and COSCO SHIPPING (Qidong) Offshore Co., Ltd	Incorporated by reference to Exhibit 10.2 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.3	Shipbuilding Contract for the Construction and Sale of One (1) Wind Turbine Installation Vessel, dated May 9, 2022, between Cadeler and COSCO SHIPPING (Qidong) Offshore Co., Ltd	Incorporated by reference to Exhibit 10.3 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.4	EUR 185,000,000 Senior Secured Revolving Credit Facility Agreement, dated June 29, 2022, between Cadeler and DNB	Incorporated by reference to Exhibit 10.20 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.5	Shipbuilding Contract for the Construction and Sale of One (1) Wind Turbine Installation Vessel, dated November 21, 2022, between Cadeler and COSCO SHIPPING (Qidong) Offshore Co., Ltd.	Incorporated by reference to Exhibit 10.4 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.6	Business Combination Agreement, dated as of June 16, 2023, by and between Cadeler and Eneji	Incorporated by reference to Exhibit 2.1 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.7	Amendment Agreement, dated June 16, 2023, among Cadeler, DNB and others, relating to EUR 185,000,000 Senior Secured Revolving Credit Facility Agreement, dated June 29, 2022	Incorporated by reference to Exhibit 10.21 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.8	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Scorpio Holdings	Incorporated by reference to Exhibit 10.5 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023
4.9	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Scorpio Services Holding Limited	incorporated by reference to Exhibit 10.6 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.10	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Robert Bugbee	Incorporated by reference to Exhibit 10.7 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.11	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Roberto Giorgi	Incorporated by reference to Exhibit 10.8 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.12	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Christian M. Gut	Incorporated by reference to Exhibit 10.9 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.13	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Berit Ledel Henriksen	Incorporated by reference to Exhibit 10.10 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.

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<u>Exhibit No.</u>	<u>Description</u>	<u>Method of filing</u>
4.14	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Emanuele A. Lauro	Incorporated by reference to Exhibit 10.11 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.15	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and James B. Nish	Incorporated by reference to Exhibit 10.12 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023
4.16	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Einar Michael Steimler	Incorporated by reference to Exhibit 10.13 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023
4.17	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Aileen Tan	Incorporated by reference to Exhibit 10.14 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.18	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Hugh Baker	Incorporated by reference to Exhibit 10.15 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.19	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Filippo Lauro	Incorporated by reference to Exhibit 10.16 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.20	Tender and Support Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Cameron Mackey	Incorporated by reference to Exhibit 10.17 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.21	Voting Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and BW Altor	Incorporated by reference to Exhibit 10.18 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023
4.22	Voting Agreement, dated as of June 16, 2023, entered into by and among, Cadeler and Swire Pacific	Incorporated by reference to Exhibit 10.19 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.23	Confidentiality Agreement, dated February 1, 2023, by and between Cadeler and Eneti	Incorporated by reference to Exhibit 99.5 to Cadeler's Registration Statement on Form F-4 filed with the SEC on October 31, 2023.
4.24	Facility Agreement for a EUR 50,000,000 Loan Facility, dated November 15, 2023, entered into by and between Cadeler and HSBC	Filed together with this Annual Report on Form 20-F.
4.25	Increase Confirmation for the Holdeo Facility, entered into by and between Cadeler and HSBC	Filed together with this Annual Report on Form 20-F.
4.26	Facilities Agreement for Senior Secured Green Facilities of up to EUR 550,000,000, dated December 7, 2023, by and among, Cadeler, DNB, Rabobank, Credit Agricole, Danske Bank, OCBC, Standard Chartered Bank and Société Générale	Filed together with this Annual Report on Form 20-F.
4.27	Facility Agreement for Sinosure-backed Green Term Loan Facility of up to EUR 425,000,000, dated December 22, 2023, by and among Cadeler, DNB, Rabobank, Santander, Credit Agricole, CIC, HSBC, KfW-IPEX, OCBC, Société Générale, Sparebank 1 SR-Bank and Standard Chartered Bank	Filed together with this Annual Report on Form 20-F.
4.28	Credit Agreement, dated March 31, 2022, by and among Seajacks International Limited, Eneti, DNB Capital LLC, Société Générale, Citibank N.A., Credit Agricole Corporate and Investment Bank and Credit Industriel et Commercial	Incorporated by reference to Exhibit 4.6 to Eneti's Annual Report on Form 20-F filed with the SEC on April 15, 2022.
4.29	Form of Shipbuilding Contract of Daewoo Mangalia Heavy Industries S.A.	Incorporated by reference to Exhibit 10.8 to Scorpio Bulkers Inc.'s Registration Statement on Form F-1 filed with the SEC on December 2, 2013.

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<u>Exhibit No.</u>	<u>Description</u>	<u>Method of filing</u>
8.1	List of subsidiaries	Filed together with this Annual Report on Form 20-F
12.1	Certification of Mikkel Gleerup, Chief Executive Officer of Cadeler, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed together with this Annual Report on Form 20-F
12.2	Certification of Peter Brogaard Hansen, Chief Financial Officer of Cadeler, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed together with this Annual Report on Form 20-F
13.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed together with this Annual Report on Form 20-F
15.1	Cadeler's Annual Report for the fiscal year ended December 31, 2023.	Filed together with this Annual Report on Form 20-F. Certain of the information included within Exhibit 15.1, which is provided pursuant to Rule 12b-23(a)(3) of the U.S. Exchange Act, is incorporated by reference in this Annual Report on Form 20-F, as specified elsewhere in this Annual Report on Form 20-F. With the exception of the items and pages so specified, Exhibit 15.1 is not deemed to be filed as part of this Annual Report on Form 20-F.
15.2	Cadeler's Remuneration Report for the fiscal year ended December 31, 2023.	Filed together with this Annual Report on Form 20-F. Certain of the information included within Exhibit 15.2, which is provided pursuant to Rule 12b-23(a)(3) of the U.S. Exchange Act, is incorporated by reference in this Annual Report on Form 20-F, as specified elsewhere in this Annual Report on Form 20-F. With the exception of the items and pages so specified, Exhibit 15.2 is not deemed to be filed as part of this Annual Report on Form 20-F.
15.3	Cadeler's Prospectus	Incorporated by reference to Cadeler's Prospectus filed on November 7, 2023 pursuant to Rule 424(b)(3) under the U.S. Securities Act of 1933, as amended
97	Cadeler's Compensation Recoupment Policy	Filed together with this Annual Report on Form 20-F.
EX-101.SCH	XBRL Taxonomy Extension Schema Document	Filed together with this Annual Report on Form 20-F.
EX-101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed together with this Annual Report on Form 20-F.
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed together with this Annual Report on Form 20-F.
EX-101.LAB	XBRL Taxonomy Extension Labels Linkbase Document	Filed together with this Annual Report on Form 20-F.
EX-101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed together with this Annual Report on Form 20-F.
104	Cover page interactive data file (formatted as inline XBRL and contained in Exhibit 101)	Filed together with this Annual Report on Form 20-F.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CADELER A/S

/s/ Mikkel Gleerup

Name: Mikkel Gleerup

Title: Chief Executive Officer

Date: March 26, 2024

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Item 8. Financial Information

Financial Statements and Supplementary Data

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Consolidated Financial Statements

Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR'000	Note	2023	2022	2021
Revenue	3	108,622	106,424	60,938
Cost of sales	4	(59,858)	(49,537)	(38,879)
Gross profit		48,764	56,887	22,059
Other operating income and expenses	5	137	—	—
Administrative expenses	4	(34,458)	(15,696)	(10,925)
Operating profit		14,443	41,191	11,134
Finance income	10	1,541	4,031	1,795
Finance costs	10	(4,486)	(9,681)	(5,491)
Profit before income tax		11,498	35,541	7,438
Income tax credit/expense	11	—	—	13
Profit for the period		11,498	35,541	7,451
Profit for the period attributable to:				
Equity holders of the parent	12	11,498	35,541	7,451
		11,498	35,541	7,451
Earnings per share				
Basic, profit/loss for the period attributable to ordinary equity holders of the parent (EUR per share)	12	0.06	0.22	0.06
Diluted, profit/loss for the period attributable to ordinary equity holders of the parent (EUR per share)	12	0.06	0.22	0.06
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		(6,724)	—	—
Cash flow hedges - changes in fair value	25	(18,505)	905	—
Cash flow hedges - interest recycled	25	(776)	438	—
Cash flow hedges - cost of hedging	25	(3,621)	—	—
Other comprehensive income after tax		(29,626)	1,343	—
Total comprehensive income for the period, net of tax		(18,128)	36,884	7,451
Total comprehensive income attributable to:				
Equity holders of the parent	12	(18,128)	36,884	7,451
		(18,128)	36,884	7,451

Consolidated Balance Sheet

EUR'000	Note	2023	2022	2021
Intangible Assets	17	16,947	419	402
Property, plant and equipment	18	1,085,632	606,204	399,087
Rights-of-use assets	19	973	287	464
Leasehold deposits	19	1,220	238	195
Derivative assets	24, 25	338	3,376	—
Total non-current assets		1,105,110	610,524	400,148
Inventories	15	1,836	549	440
Trade receivables	14	30,552	18,235	19,530
Contract assets	14	8,880	19,999	843
Prepayments	16	9,562	1,699	1,497
Current Income tax receivable		12	12	—
Cash and cash equivalents	13	96,608	19,012	2,308
Total current assets		147,450	59,506	24,618
Total assets		1,252,560	670,030	424,766
Share capital	22	41,839	26,575	18,641
Share premium		952,858	509,542	339,400
Reserves		(28,283)	1,343	—
Retained earnings / (Accumulated losses)		(7,373)	3,108	(32,785)
Total equity		959,041	540,568	325,256
Provisions	20	4,813	—	—
Lease liabilities	24	392	—	209
Deferred tax liabilities	11	10,191	—	—
Deferred charter hire income	3	1,778	1,326	969
Debt to credit institutions	26	204,773	114,230	44,476
Derivative liabilities	24, 25	17,957	2,108	—
Total non-current liabilities		239,904	117,664	45,654
Trade and other payables	20	32,636	8,822	9,703
Current provisions	20	2,086	—	—
Payables to related parties	27	162	89	63
Current deferred charter hire income	3	12,103	1,831	15,187
Current lease liabilities	24	601	279	298
Current income tax liabilities		1,224	5	6
Current debt to credit institutions	26	799	772	28,599
Current derivative liabilities	24, 25	4,004	—	—
Total current liabilities		53,615	11,798	53,856
Total liabilities		293,519	129,462	99,510
Total equity and liabilities		1,252,560	670,030	424,766

Consolidated Statement of Changes in Equity

EUR '000	Share capital	Share premium	Reserves			(Accumulated losses)/ retained earnings	Total
			Hedging reserves	Cost of hedging reserves	Foreign currency translation reserve		
2023							
Beginning of financial year	26,575	509,542	1,343	—	—	3,108	540,568
Profit for the year	—	—	—	—	—	11,498	11,498
Other comprehensive income for the year	—	—	(19,281)	(3,621)	(6,724)	—	(29,626)
Total comprehensive profit for the year	—	—	(19,281)	(3,621)	(6,724)	11,498	(18,128)
Registration of new shares in relation to business combination	15,264	450,271	—	—	—	—	465,535
Costs incurred in connection with listing	—	(6,955)	—	—	—	—	(6,955)
Changes from business combination	—	—	—	—	—	(23,113)	(23,113)
Share-based payments	—	—	—	—	—	1,134	1,134
End of financial year	41,839	952,858	(17,938)	(3,621)	(6,724)	(7,373)	959,041
2022							
Beginning of financial year	18,641	339,400	—	—	—	(32,785)	325,256
Profit for the year	—	—	—	—	—	35,541	35,541
Other comprehensive income for the year	—	—	1,343	—	—	—	1,343
Total comprehensive profit for the year	—	—	1,343	—	—	35,541	36,884
Capital increase May 2022	3,518	81,234	—	—	—	—	84,752
Costs incurred in connection with May 2022 capital increase	—	(2,305)	—	—	—	—	(2,305)
Capital increase October 2022	4,416	94,082	—	—	—	—	98,498
Costs incurred in connection with October 2022 capital increase	—	(2,869)	—	—	—	—	(2,869)
Share-based payments	—	—	—	—	—	352	352
End of financial year	26,575	509,542	1,343	—	—	3,108	540,568
2021							
Beginning of financial year	15,557	265,742	—	—	—	(40,236)	241,063
Profit for the year	—	—	—	—	—	7,451	7,451
Other comprehensive income for the year, net of tax	—	—	—	—	—	—	—
Total comprehensive profit for the year	—	—	—	—	—	7,451	7,451
Capital increase April 2021	3,084	76,134	—	—	—	—	79,218
Costs incurred in connection with April 2021 capital increase	—	(2,155)	—	—	—	—	(2,155)
Share-based payments	—	(321)	—	—	—	—	(321)
End of financial year	18,641	339,400	—	—	—	(32,785)	325,256

Consolidated Statement of Cash Flows

EUR'000	Note	2023	2022	2021
Cash flow from operating activities				
Profit for the period		11,498	35,541	7,451
Adjustments for:				
Depreciation and amortisation	4	23,048	22,684	16,479
Impairment of fixed assets	18	5,000	—	—
Interest expenses	10	1,898	923	4,506
Other operating income and expenses, net	5	(137)	—	—
Fair value change of derivatives instruments through profit or loss	10	766	—	—
Share-based payment expenses		1,134	352	(321)
		43,207	59,500	28,115
Changes in working capital:				
Inventories		(1,140)	(109)	(128)
Trade receivables and contract assets		28,541	(18,029)	(9,883)
Trade and other payables		(16,087)	660	2,448
Receivables from related parties		—	—	7,463
Payables to related parties		73	26	(5,319)
Deferred charter hire income		8,787	(12,999)	7,346
Net change in working capital		20,174	(30,451)	1,927
Income tax paid		2	(13)	158
Net cash provided by operating activities		63,383	29,036	30,200
Cash flow from investing activities				
Cash acquired in a business combination, net	6	10,403	—	—
Additions to property, plant and equipment	18	(66,899)	(224,606)	(162,941)
Disposal of property, plant and equipment	18	1,800	—	—
Additions to intangibles	17	(31)	(228)	(434)
Movement to right of use assets		—	(574)	—
Net cash (used in) investing activities		(54,727)	(225,408)	(163,375)
Cash flow from financing activities				
Principal repayment of lease liabilities	24	(569)	(228)	(285)
Interest paid	18	(7,143)	(4,234)	(3,930)
Proceeds from issue of share capital		—	183,250	79,218
Transaction costs on issues of shares		(6,955)	(5,174)	(2,154)
Proceeds from borrowing net of bank fees (of EUR 12 million in 2023 and EUR 2 million in 2022)	24	199,935	113,459	—
Proceeds from overdraft	24	—	16,067	8,998
Repayment of loan	24	(115,000)	(65,000)	(10,000)
Repayment of overdraft	24	—	(25,065)	—
Net cash provided by financing activities		70,268	213,075	71,847
Net increase/(decrease) in cash and cash equivalents		78,924	16,704	(61,328)
Cash and cash equivalents at beginning of the period	13	19,012	2,308	63,636
Net foreign exchange difference		(1,328)	—	—
Cash and cash equivalents at end of the period		96,608	19,012	2,308

Notes to the Consolidated Financial Statements

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Note 1

General Information

Corporate information

Cadeler A/S (the “Company” or the “Group”) is incorporated and domiciled in Denmark. The address of its registered office is Kalvebod Brygge 43, DK-1560 Copenhagen, Denmark. The Company is listed on the Oslo Stock Exchange (ticker code: CADLR) and on the New York Stock Exchange (ticker code: CDLR).

The Group is a leading offshore wind farm transportation and installation (T&I) contractor headquartered in Copenhagen, Denmark. The Group owns and operates four offshore jack-up windfarm installation vessels, Wind Orca, Wind Osprey, Wind Scylla and Wind Zaratan. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

The consolidated financial statements of the Group is composed of the Financial Statements of Cadeler A/S and its subsidiaries (which are fully owned by the Parent Company Cadeler A/S). For more information on the subsidiaries of Cadeler A/S please refer to Note 28.



Note 2

Material Accounting Policies Information

2.1. Basis for preparation

The consolidated financial statements included in this Annual Report have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the EU and further requirements in the Danish Financial Statements Act.

The preparation of these consolidated financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the consolidated financial statements are further described in note 2.26.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousands, except when otherwise indicated.

The accounting policies set out in the notes have been applied consistently in the preparation of the consolidated financial statement for all the years presented unless stated otherwise below.

Going concern assessment

The Company's Board of Directors and Executive Directors have at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Thus, the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Principles of consolidation

The consolidated financial statements include the parent company, Cadeler A/S, and all enterprises over which the parent company has control. Control of an enterprise exists when the Company has exposure, or rights to, variable returns from its involvement with the enterprise and has the ability to control those returns through its power over the enterprise. Accordingly, the consolidated financial statements of the Group are composed of the Financial Statements of the Company Cadeler A/S and its subsidiaries (which are fully owned by the Parent Company, Cadeler A/S).

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between group enterprises are eliminated in full on consolidation.

Subsidiaries apply accounting policies in line with the Company's accounting policies. When necessary, adjustments are made to bring the entities' accounting policies in line with those of the Company.

European Single Electronic Format (ESEF)

As a group with securities listed on a regulated market within the EEA, Cadeler A/S is required to prepare its official Annual Report in the XHTML format and to tag the main consolidated financial statements using inline eXtensible Business Reporting Language (iXBRL) applying a specific ESEF taxonomy. The annual report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with required technical files, all included in a ZIP file named *cadeler-2023-12-31-en.zip*.

As such, the Annual Report is therefore both human- and machine-readable.

A separate assurance report on the iXBRL tagging of the consolidated financial statements is issued by Cadeler's independent auditors and included on page 201. For general use, a PDF version of the Annual Report is published in line with previous years.

2.2. Changes in accounting policies and disclosures

The Group has adopted standards and interpretations effective as of 1 January 2023. Adoption of new and amended standards and interpretations had no impact on the consolidated financial statements.

IASB has issued a number of new or amended accounting standards (IFRS) and interpretations (IFRIC), such as IAS 12 amendments International Tax Reform, Pillar Two Models Rules. The Group has assessed these accounting standards and interpretations, and does not anticipate the new standards to have any material impact on either the group's figures or disclosures in 2024.

The Group has not early adopted any other standard, interpretation or amendments that have been issued but are not yet effective.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to have a material impact on the Group.

2.3. Revenue recognition

When accounting for revenue recognition, an assessment is performed on a contract-by-contract basis at contract inception.

Overall, the Group's contracts with customers comprise:

- Revenue from time charter contracts and time charter related activities (referred to as time charter revenue) and
- Revenue from transportation and installation (referred to as transportation and installation revenue stream).

The Group's accounting policies for each revenue stream are disclosed below.

2.3.1. Time charter revenue

The Group recognises time charter revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the Group expects to receive in exchange for those goods or services.

Revenue from time charter contracts is generated from two distinct activities: 1) leasing of vessels and 2) provision of services within wind farming projects, e.g. catering and accommodation, mobilisation and demobilisation. As such, a time charter contract consists of a leasing component (the element relating to hire of the vessel) and a service component. The service component is within the scope of IFRS 15, while the leasing component is within the scope of IFRS 16. Refer to Note 2.13 on accounting policy for leases.

2.3.1.1 Leasing of vessels

The leasing component is recognised as revenue over time over the charter period. Payments from customers for the bareboat hire element are recognised over time in accordance with the length of the customer contract. Prepayments from customers for the leasing component are recognised as deferred charter hire income. Refer to Note 2.18 for accounting policy on deferred charter hire income.

2.3.1.2 Provision of services within wind farming projects, e.g. catering and accommodation, mobilisation and demobilisation

To determine revenue recognition for the service component of the time charter arrangements, the Group performs, in line with the requirements of IFRS 15, the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. At contract inception, once the service component within the time charter contract is determined to be within the scope of IFRS 15, the Group assesses the goods and services promised within each contract and identifies as a performance obligation each good or service that is distinct. Revenue is recognised in the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. In respect of time charter service components, the main promises to the customers generally include catering and accommodation, mobilisation, demobilisation and bunker services.

While the contracts contain several promises, these are usually considered highly interdependent and highly interrelated and as such considered as one single performance obligation recognised over time applying a relevant measure of progress. Assessment hereof is performed on a contract-by-contract basis.

Prepayments from customers for which the service component has yet to be provided are recognised as deferred income. Revenue is recognised as the service is being provided, being over the term of the related time charter contract. The Group recognises deferred contract costs for upfront costs of fulfilling a contract.

2.3.2. Time charter related activities

2.3.2.1 Bunker services

The Group is sometimes providing bunker services to help the customers ensure that sufficient bunker is available to operate the vessels at the right time and in the right quality and quantity. As such, for certain projects the Group provides bunker procurement services and assumes responsibility for the logistics and handling of procured bunker.

Management's assessment of whether a principal or agent relationship exists is based upon whether the Group has the ability to control the goods before they are transferred to the customer. This assessment is performed on a contract-by-contract basis at contract inception and takes into account various factors such as whether the Group takes legal title of the bunker and has the ability to direct the use of the bunker.

2.3.2.2 Variable consideration related to time charter related activities

Variable consideration, for example in respect of weather days and extension of time, is constrained at contract inception to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2.3.3. Transportation & Installation (T&I) revenue

Revenue from T&I consist of installation and transportation of offshore wind turbine foundations, including activities such as heavy lifting operations, decommissioning and planning and engineering.

Revenue from T&I contracts is generated from two distinct activities: 1) leasing of vessels and 2) T&I service components. As such, those contracts consist of a leasing component (the element relating to hire of the vessel) and a service component. The service component is within the scope of IFRS 15, while the leasing component is within the scope of IFRS 16, as described above.

To determine revenue recognition for T&I service components, the Group performs in line with the requirements of IFRS 15 the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognise revenue when (or as) the entity satisfies a performance obligation. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. At contract inception, once the T&I contract is determined to be within the scope of IFRS 15, the Group assesses the goods and services promised within each contract and identifies as a performance obligation each good or service that is distinct. Revenue is recognised in the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

In respect of T&I service components, the following main promises apply:

- Planning and engineering,
- Transport of monopiles and secondary steel from supply port to feeder port,
- Installation of monopiles and secondary steel offshore,
- Storage and handling at feeder port,
- Warranty

While the contracts contain several distinct promises, these are considered less interdependent and interrelated and as such considered multiple performance obligation. Assessment hereof is performed on a contract-by-contract basis.

Revenue is recognised over time as the service is being provided using a cost-to-cost method or straight-line recognition, depending on what better depicts the progress of each separate performance obligation. Prepayments from customers for which the service component has yet to be provided are recognised as deferred income and recognised as revenue over the period during which the services are performed. The Group recognise deferred contract costs for upfront costs of fulfilling a contract.

2.3.3.1 Planning and engineering

The Group provides planning and engineering services to the customer. Such revenue is recognised over time is based upon percentage-of-completion whereby total costs incurred to date are compared with total forecast costs at completion of the planning and engineering services.

2.3.3.3 Transportation of monopiles and secondary steel from supply port to feeder port

The Group is engaged with transportation of monopiles and secondary steel from supply port to feeder port. Such revenue is recognised over time based upon percentage-of-completion whereby total time spend on transportation is compared with total forecast time at completion of the transportation.

2.3.3.3 Storage and handling at feeder port

The Group has been tasked with the storage and handling of the material used in the installation. Such revenue is recognised over time is based upon percentage-of-completion whereby total time spend on storage is compared with total forecast time at completion of the storage.

2.3.3.4 Installation of monopiles and secondary steel offshore

The Group has been tasked with the installation of the monopiles and secondary steel offshore. Such revenue is recognised over time based upon percentage-of-completion whereby total costs incurred to date are compared with total forecast costs at completion of the planning and engineering services.

2.3.3.5 Warranty obligations

The Group provides warranties for the repair of defects which are identified during the contract and within a defined period thereafter. All are assurance-type warranties, as de-fined within IFRS 15, which the Group recognises under IAS 37. The Group does not have any contractual obligations for service-type warranties.

2.3.3.6 Variable consideration related to installation and transportation activities

Variable consideration, for example in respect of steel prices, bunker prices etc., is constrained at contract inception to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2.4. Cost of sales and administrative expenses

Cost of sales consists of expenses directly attributable to the Group's core activities, including seafarers payroll, vessel depreciation, and the operation and maintenance of vessels.

Administrative expenses, which include administrative staff costs, share-based compensation, management costs, office expenses, business combination transaction costs and other administration related expenses, are expensed as they are incurred

2.5. Other operating income and expenses

Other operating income and expenses, include transactions not related to the operations of the Group, like, gains and losses on sale of non-current assets, and is generally recognised when it is probable that the benefits and losses associated with the transaction will flow to the Company and if the significant risks and rewards have been transferred to the buyer (generally when the transaction is finalised).

2.6. Business combinations and Goodwill

2.6.1. Business combinations

Acquired businesses are recognised using the acquisition method.

Assets, liabilities, and contingent liabilities of the acquired businesses are measured at fair value at the acquisition date. The fair values of vessels included in property, plant and equipment are determined using broker valuations. The fair values of other assets and liabilities are valued using the approach assessed to be most relevant for the individual item, which can be either a market approach, an income approach, a cost approach or a combination of methods.

The purchase price comprises the fair value of the consideration payable/receivable. This includes the fair value of the consideration already paid/received including the shares issued, deferred consideration and contingent consideration. The purchase price is allocated to the identified assets, liabilities and contingent liabilities (net assets) based on their fair values at the acquisition date and any excess of the purchase price over the net assets is recognised in the balance sheet as goodwill within intangible assets. In the event the purchase price is lower than the net assets, the difference is recognised in the income statement (a gain from a bargain purchase).

2.6.2. Goodwill

Goodwill arises from business combinations and is determined as the excess of the purchase price over the fair value of the net assets acquired, including contingent liabilities. Goodwill is allocated to the cash generating unit as determined by Management. Goodwill is not amortised but is tested for impairment at least once a year or sooner if impairment indication arises.

2.7. Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Employee compensations include wages and salaries, including compensated absence and pensions, as well as other social security contributions made to the entity's employees or public & government authorities. The item is net of support schemes made by public & government authorities.

2.8. Financial income and expense

Finance income and expenses comprise interest income and expenses and realised and unrealised exchange rate gains and losses on transactions denominated in foreign currencies as well as fair value adjustments related to the ineffective part of the financial instruments.

Interest income and interest expenses are stated on an accrual basis using the principal and the effective interest rate. The effective interest rate is the discount rate that is used to discount expected future cash payments or receipts through the expected life of the financial asset or financial liability to the amortised cost (the carrying value) of such asset or liability.

2.9. Borrowing costs

Borrowing costs are capitalised in accordance with IAS 23, where borrowing costs directly attributable to the construction of assets are capitalised until such a time as the asset is substantially ready for its intended use. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds, including fees for guarantees provided by related parties.

2.10. Taxes

2.10.1. Pillar Two Tax Effects

In October 2021, more than 130 countries agreed on a two-pillar approach to reform the international tax system. The so-called Pillar Two rules are designed to compel multinational corporations with EUR 750 million or more in annual revenue to pay a minimum effective corporate tax rate of 15% on income received in each jurisdiction in which they operate.

The principal jurisdictions in which the Group may be exposed to additional taxation as a result of the Pillar Two rules include Denmark and the United Kingdom (each of which has enacted legislation implementing the Pillar Two rules), as well as Cyprus (where public consultation on draft legislation is ongoing). In light of the Group's total revenue, at 31 December 2023, the Group does not expect to be in scope of the Pillar Two rules in 2024.

The Group is actively assessing the potential future impact of the Pillar Two rules on the Group's business. It is the Group's initial assessment that a portion of its revenues in each of the relevant jurisdictions will be subject to top-up tax under the Pillar Two rules as shipping income, which is generally excluded from the computation of income under Pillar Two. Certain other exclusions may also be applicable and the Group's analysis of such exclusions is ongoing.

2.10.2. Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.10.3. Tonnage tax

Under the scheme, ship-owners (or bareboat charterers) pay a fixed tax amount per net tonne at their disposal rather than paying taxes based on income, expenses, and depreciation. The Company participates in the Danish scheme from 27 November 2020.

As the vessels are owned and registered by subsidiaries in jurisdictions different than Denmark, the Group is also subject to tonnage taxation in such jurisdictions. This tonnage taxation income is calculated based on a fixed tax amount per tonne.

This scheme is on a notional income derived from tonnage capacity and not based on the entities' actual income and expenses, the Group does not consider the scheme to fall under the rules of IAS 12. Consequently, the tonnage tax expenses are not presented as part of tax expense in the statement of profit and loss, but are recognised under costs of sales.

2.11. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory mainly covers fuel and oil.

2.12. Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

To keep performing their operational activity, the vessels have an obligation to go through drydock procedures every five years. The costs of the drydock procedures are capitalised per their purchase price and any costs that are directly attributable to bringing the vessels to the location and condition necessary for the drydock procedures. Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the assets' estimated useful life. The estimated useful life is as follows:

	Useful life
Vessels and furnished equipment	Up to 25 years
Drydock	5 years
Cars	5 years
Other fixtures and fittings	2 to 3 years

The estimated useful life of the vessels of 25 years has been estimated by an external consultant through a determined fatigue analysis based on the technical specification of the vessels. Prior to their acquisition, the vessels had already been in use for 8 years, therefore the remaining useful life of the vessels is estimated at 17 years for all components except jacking system and main crane with a remaining useful life of 3 years from the acquisition of the vessels. Hull and steel have a salvage value of EUR 10 million per vessel by the end of their useful life. Depreciation is based on costs less the estimated residual value. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the scrap value per ton.

More information can be found in Material accounting judgements, estimates and assumptions section with regards of acquired vessels through the business combination.

The residual value, useful life, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted accordingly, if appropriate.

2.13. Leases

When the Group is the lessor

Lessor – operating leases

The Group leases vessels (the bareboat element relating to hire of the vessel as part of the time charter contracts) under operating leases to non-related parties. This is classified as an operational lease, as such leases do not cover a significant part of the economic life of the vessels and the Group retains substantially all risks and rewards incidental to ownership of the vessels. Rental income from operating leases is recognised in profit or loss on an over time basis over the charter period and included in revenue as stated in Material Accounting Policies section under 2.3.1.1.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are capitalised and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

a. Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities using an incremental borrowing rate adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use assets are depreciated on a straight-line basis lease term.

b. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Utilisation lease fees can be classified as a variable fee.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value-leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term. Short-term and low-value leases consists of cars, coffee machines, office premises and AV equipment.

2.14. Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment at least once a year or sooner if impairment indication arises. Impairment testing is performed for each cash-generating unit to which goodwill is allocated, as determined by Management.

If the carrying amount of intangible assets exceeds the recoverable, an impairment loss is recognised in profit or loss. Goodwill impairment losses are not subsequently reversed.

Property, plant and equipment and right-of-use-assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.15. Financial assets

The classification of financial assets depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Financial assets

Financial assets of the Group mainly comprise of cash and bank balances, trade receivables and other current assets.

Interest income from these financial assets are recognised using the effective interest rate method.

The Group assesses on forward looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For trade and other receivables, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.16. Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

2.17. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.18. Deferred income

Time charter revenue received in advance and reservation fees are deferred and recognised as current liabilities if the service is due within one year or less. Otherwise, they are presented as non-current liabilities. Deferred charter hire income is recognised as revenue in profit or loss over time over the period during which the related service is performed.

2.19. Financial liabilities

Debt to credit institutions etc. is recognised at the time of borrowing at fair value after deduction of transaction costs incurred. Subsequently, the financial liabilities are measured at amortised cost using the “effective interest method”, so that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the loan period.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts of the asset and the liability is recognised in the statement of profit and loss.

2.20. Derivatives and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value over profit and loss. Derivatives are carried as financial assets, presented under derivatives assets, when the fair value is positive and as financial liabilities, presented under derivatives liabilities, when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge.

Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in other comprehensive income and presented under “Hedging reserves” (equity). Where the expected future transactions results in the acquisition of non-financial assets, any amounts deferred under equity are transferred from equity to the cost of the asset. Where expected future transaction results in income or expense, amount deferred under equity are transferred from equity to the income statement in the same item as the hedged transaction as a reclassification adjustment. Further, the entity may transfer the cumulative fair value change recognised within equity upon derecognition of the hedged item. Borrowing facilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

Changes in the fair value of derivative financial instruments not designated as hedges are recognised in the income statement. Certain borrowing facilities when undrawn do not qualify for hedge accounting. Changes in fair value of these derivative financial instruments are therefore recognised in the income statement under “Financial income” or “Financial expenses” for interest rate swaps.

The amount included in the hedging reserve is the lower of, in absolute amounts, of the cumulative fair value adjustment of the hedging instrument and the hedged item. Ineffectiveness is recognised in the consolidated statement of profit and loss. Further, in case any modifications occur in the hedged risk, the Group will conduct a comprehensive review and assessment of the hedge relationship. In a recent evaluation, adjustments in debt were carefully assessed in accordance with hedge accounting standards, resulting in no material changes or implications on hedge accounting.

2.21. Share capital

Ordinary shares are classified as equity. When there is a capital increase through the issuance of new shares, these shares are recorded at their nominal value.

2.22. Share premium reserve and retained earnings

Capital increase is categorised as equity. Share premium reserve signifies the capital contributed by investors exceeding the nominal value of the shares issued, net of any incremental costs directly associated with the issuance of new shares. Retained earnings include results from previous periods, changes to equity arising from business combination purchase price, and share-based payments.

2.23. Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expenses, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share in a loss situation only if loss per share decreases.

2.24. Currency translation

The financial statements are presented in Euro (EUR), which is also the functional currency of the Parent Company. For each entity in the Group, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in a currency other than the EUR (“foreign currency”) are translated into EUR using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within finance income or finance expenses.

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.25. Cash flow statement

Statement of cash flows

The statement of cash flows shows the Group’s cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as the Group’s cash and cash equivalents at the beginning and end of the year.

Positive amounts indicate cash inflows, whereas negative amounts indicate cash out-flows.

Cash flows from operating activities

Cash flows from operating activities are stated as the profit/loss for the year adjusted for non-cash operating items such as depreciation, changes in working capital and income tax paid or received. Working capital includes current assets less current liabilities, excluding cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from the acquisition and sale of non-current assets and businesses.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from instalments on lease liabilities, and interest paid as well as proceeds from issue of shares and debt as well as prepayment of borrowings.

2.26. Material accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimates

Useful life of vessels

The estimation made regarding the duration of the useful life of the vessels has been based on, among other things, an analysis made by an external expert. The determined fatigue analysis is based on the technical specification of the wind turbine installation vessels (“WTIV”) and comparable vessels, the useful life of the vessels is estimated at 25 years.

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In 2020, the Group acquired two vessels which had already been in use for 8 years. Therefore, the remaining useful life of these vessels is estimated at 17 years for all components except the jacking system and main crane. These components have a remaining useful life of 3 years from the acquisition of the vessels. In the current year, the main crane of these vessels is undergoing an upgrade. The old main crane has been disposed of, and the new main crane is expected to be activated in the new year, matching the remaining useful life of the vessels.

In 2023, as part of the business combination, the Group acquired two additional vessels. One of these vessels was delivered in 2015 and the other in 2012. Similar to the vessels acquired in 2020, the estimated useful life of these vessels, 25 years when first acquired, depend on initial delivery. Therefore its useful life is 17 and 14 years, and all components will have the same useful life. The depreciation will be calculated over the remaining useful life of these vessels.

The residual value, useful life, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted accordingly, if appropriate.

Impairment of non-financial assets

Management is responsible for the identification of internal and external indicators of impairment related to non-financial assets. If indicators of impairment are identified, an impairment test must be performed.

Impairment exists when the carrying value of an asset including right-of-use assets or CGU exceeds its recoverable amount, which is the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available sales transactions conducted at arm's length terms, if available. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and the most recent project pipeline. These cash flows do not include restructuring activities or significant future investments which will enhance the performance of the assets or CGU being tested.

The recoverable amount is sensitive to the discount rate used in the DCF model as well as future cash in-flows and growth rate assumptions, for further information please refer to Note 18.

Purchase price allocation

In the application of the acquisition method, estimates play a pivotal role in determining the fair values of acquired assets and assumed liabilities, given the absence of observable market prices. Valuation techniques primarily involve assessing the present value of uncertain future cash flows or events at the acquisition date, with more significant estimates typically applied to property, plant, and equipment. Due to inherent uncertainties in fair value estimation, adjustments during the measurement period may be necessary. Valuation techniques considered include market-based, income-based, and cost-based methodologies, prioritised in that order. Key assumptions, such as the remaining useful life of vessels, inflation, utilisation rates, and day rates, are integral to these methodologies.

Judgements

Identification of CGU for the purpose of goodwill impairment

For the purpose of testing the Group's vessels the impairment test is performed on a vessel-by-vessel basis.

For the purpose of testing goodwill for impairment, management has assessed that Cadeler has two cash generating units (CGUs), being

- the transport and installation of offshore wind turbine generators and foundations installation vessels (WTGFIV) and
- the maintenance of offshore wind turbine generators (O&MV)

The WTGFIV CGU is comprised of Cadeler's O-class vessels and Scylla, which are largely interchangeable, and the cash flows generated by them are interdependent. These vessels are operated collectively, employed interchangeably, and actively managed to meet the needs of our customers in that market. Given the technical specifications of vessels, the WTGFIV vessels are relatively homogenous with a very high degree of interoperability. The O&MV CGU is comprised of the vessel Zaratan which has different specifications, has independent and separable cash flows from the other vessels.

Revenue recognition

Judgement is performed when determining if a contract contains one or more performance obligations. Judgements is performed as complexities arise when several types of customer contracts are bundled.

Evaluating the criteria for revenue recognition requires management's judgement to assess and identify performance obligations within the contract. This includes assessing the nature of performance obligations and whether they are distinct or should be combined with other performance obligations to determine whether the performance obligations are satisfied over time or at a point in time.

In contracts where many activities are bundled judgement is applied in the determination of the most adequate recognition method and the most adequate measure of progress. Both of the judgements have a primary impact on the timing and amount of revenue to be recognised.

Evaluating the criteria for revenue recognition with contract with customer requires Management's judgement to assess and determine the following:

- Identification of performance obligations within the contract. This includes assessing the nature of performance obligations and whether they are distinct or should be combined with other performance obligations to determine whether the performance obligations are satisfied over time or at a point in time.
- Determine the transaction price, including an assessment of variable consideration in the contract.
- In contract where many performance obligation are bundled, the allocation of transaction price to performance obligations to determine the stand-alone selling price of each performance obligation identified in the contract using key assumptions which may include observable market and expected margin in the activities.

Macroeconomic factors and climate risks

As part of our commitment to transparency and thorough risk management, Cadeler recognises the significance of macroeconomic factors and climate risks in our financial evaluations. In navigating an ever-evolving operational landscape, we acknowledge the importance of factoring in these elements when assessing the useful lives of assets, determining residual values, and conducting Discounted Cash Flow (DCF) analyses for impairment assessments. Management does not currently consider climate risks to have a material effect on the accounting estimates and judgements for the 2023 consolidate and parent company financial statements.

Cadeler's strategic investments in offshore wind assets are in line with our dedication to sustainability and our contribution to progressing towards a climate-neutral future. We comprehend the potential impact of climate-related considerations on our operations, including vulnerabilities within our supply chain due to severe weather events. Furthermore, we acknowledge the uncertainties in macroeconomic conditions arising from global economic growth rates, political dynamics within the energy sector, currency fluctuations, interest rates, and inflation. Additionally, geopolitical tensions introduce further complexities that may influence market prospects and pose risks to our operations, particularly in relation to cyber threats to energy supply.

Through diligent assessment and ongoing review processes, Cadeler remains vigilant in integrating these factors into our financial evaluations. We are committed to ensuring that our accounting policies reflect a comprehensive understanding of both macroeconomic factors and climate risks, thereby enhancing the robustness of our impairment analyses and financial reporting practices.

Note 3

Revenue

Disaggregation of revenue from contracts with customers by activity

The following table provides information about disaggregated revenue.

EUR'000	2023	2022	2021
Revenue disaggregation			
Time charter services and transportation and installation services	99,841	104,578	56,449
Other revenue, including fees earned for early termination by customers of contracts	8,781	1,846	4,489
Total revenue	108,622	106,424	60,938

For the year ended 31 December 2023, lease component, included within time charter services and transportation and installation, amounts to EUR 79 million (2022: EUR 91 million; 2021: EUR 43 million).

Time charter and time charter related revenue

Revenues are recognised over time. Revenue from time charter hire services are contracts with customers where the Group utilises its vessels, equipment and crew to deliver a service to the customer based on either a fixed day rate or milestone deliverables. Contracts may also include other promises such as mobilisation and demobilisation, catering and accommodation.

Transportation and installation revenue

Revenue from Transportation and installation are contracts with customers where the Group utilises its vessels, equipment and crew to perform the transportation and installation of offshore wind turbine foundations as well as heavy lifting operations, decommissioning and planning and engineering.

Revenue from transportation and installation activities may, depending on the contract, represent one or more performance obligations.

Usually a fixed price milestone payment schedule will be agreed upon. The transaction price may include variable elements, such as related to fuel, commodities, etc. Payment terms with customers are considered industry standard and do not include a significant financing component. To the extent possible we obtain payment guarantees to minimise the credit risk during the contract term.

Lease and non-lease components of revenue

Revenue from time charter and T&I services include both a lease component (use of the vessels) and a service component. These components are not treated or priced separately in the contracts, nor does the Group offer either of the services separately.

The service component of time charter contracts is primarily derived from crewing costs with a markup, where the residual is deemed to be the lease component.

Contract assets and liabilities

Customers are typically invoiced on a monthly basis, when the vessels are on contract. Sometimes contracts will accrue revenue for work performed and it will be reported as a contract asset until it is invoiced. For more information about contract assets at the reporting period, refer to Note 14.

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The contract liabilities relate to consideration received from customers for the unsatisfied performance obligation in the charter contracts. Revenue will be recognised when the related services are provided to the customers.

EUR'000	2023	2022	2021
Beginning of financial year	3,157	16,156	8,810
Acquisition of businesses	1,913	—	—
Deferred during the year	10,670	2,857	9,097
Recognised as revenue during the year	(1,859)	(15,856)	(1,751)
Total liabilities at end of period	13,881	3,157	16,156

Major customers

For the year ended 31 December 2023, revenue with three customers each exceeded 10% of total revenue. The revenue derived from these three customers was EUR 44.5 million, EUR 28.5 and EUR 22.7 million respectively.

For the year ended 31 December 2022, revenue with two customers each exceeded 10% of total revenue. The revenue derived from these two customers was EUR 52.4 million and EUR 53.2 million respectively.

For the year ended 31 December 2021, revenue with two customers also each exceeded 10% of total revenue. The revenue derived from these two customers was EUR 24.6 million and EUR 29.1 million respectively.

Operating segments and geographical information

The Group operates four windfarm installation vessels, which are viewed as one segment. The vessels operate in a global market and are often redeployed to different regions due to changing customers or contracts. Accordingly, we report our operations as a single reportable segment.

Contract backlog

The Group's order backlog as of the reported date amount to EUR1,557 million (2022: EUR 780 million; 2021: EUR 409). The table below includes announced contracts as of 31 December. EUR 192 million of the backlog pertains to contracts that management expect to recognise in 2024.

EUR million	2023	2022 ²	2021 ²
Contract backlog as of 31 December¹			
Within one year	192	84	110
After one year	1,365	696	299
Total	1,557	780	409

¹ Contract backlog (excluding bunker) is split between, EUR 1,379 million firm and EUR 178 million options.

² Contract backlog (excluding bunker) for 2022 was split between, EUR 653 million firm and EUR 127 million options and for 2021, EUR 351 million firm and EUR 58 million options.



Note 4

Expenses by Nature

EUR'000	Note	2023	2022	2021
Cost of sales				
Right of use asset depreciation	19	30	—	—
Insurance		1,573	1,933	1,772
Vessel depreciation	18	22,484	21,664	16,077
Impairment of property, plant and equipment	18	5,000	—	—
Crewing costs paid to a related party and an external party	27	—	61	11,517
Seafarer payroll	7	15,921	13,089	1,159
Fuel and oil		711	1,113	892
Maintenance		5,121	4,039	2,305
Messing costs		1,448	1,428	1,224
Seafarer travel		2,835	2,589	1,876
Specific charter costs		4,052	2,623	1,239
Utilities		389	689	541
Other operating expenses		294	309	260
Tonnage tax		—	—	17
Total cost of sales		59,858	49,537	38,879
Administrative expenses				
Depreciation and amortisation	17, 18, 19	534	1,020	414
Employee compensation	7	18,889	9,905	7,603
Repair and maintenance expenses		1,123	796	161
Legal and professional fees		2,122	1,047	564
Transaction costs	6	7,707	—	—
Rental expenses		751	582	584
Travel expense		985	612	305
Management fees to related party	27	—	—	115
Marketing and entertainment expenses		602	788	159
Other expenses		1,745	946	1,020
Total administrative expenses		34,458	15,696	10,925

Auditor remuneration

Administrative expenses include fees to the auditors appointed by the shareholder at the Annual General Meeting:

EUR'000	2023	2022	2021
Statutory audit	474	125	92
Other assurance services	1,608	—	8
Tax services	2	105	50
Other services	606	51	14
Total	2,690	281	164

Statutory audit services consist of fees for professional services rendered by EY for the audit of our annual consolidated financial statements and services that are provided by the auditor in connection with statutory audit.

Other assurance services including PCAOB re-audits and assurance reports in respect of pro-forma financial information in connection with regulatory filings, and review of interim financial information.

Tax services consists of Tax compliance services.

Other services consists of services provided for other permitted services, including fees for work performed in connection with the U.S. listing in December 2023.





Note 5

Other Operating Income and Expenses

EUR'000	2023	2022	2021
Other operating income	3,000	—	—
Other operating expenses	(2,863)	—	—
Net other operating income and expenses	137	—	—

Other operating income and expenses includes the net gain from the sale of the main cranes and spare parts of both O-class vessels.

The contract agreement signed for the sale of both main cranes states a purchase price of EUR1.5 million for each main crane. In the case of Wind Orca, the book value of the main crane had been written down, reflecting the value that was expected from the disposal of the assets. Thus, an impairment loss of EUR 5 million was reflected in the profit and loss. The Osprey main crane had been kept at its carrying amount since there was a gain from the disposal. The sale of both main cranes is driven by the main crane upgrades to the O-Class vessels.

Note 6

Business combination

On 19 December 2023, Cadeler acquired 86.39% of shares in Eneti Inc. via a share exchange offer. The remaining shares were acquired through a squeeze-out merger on 29 December 2023.

About Eneti

Eneti Inc. has been listed for trading on the NYSE since 12 December 2013 and was an international shipping company focused on serving the offshore wind and marine-based renewable energy industry by providing installation and maintenance services through the operation WTIVs. WTIVs are vessels specifically designed for the transport and installation of offshore wind turbines, which are power generating devices driven by the kinetic energy of the wind near-shore or further offshore on coastlines for commercial electricity generation, onto pre-prepared foundations. Eneti operated its marine energy business internationally, primarily in Europe and Asia. Eneti generated revenues of USD 141 million in 2023 with close to 300 employees.

Strategic rationale and synergies

The business combination with Eneti has to combine two leading offshore wind companies. The combination represents a significant step up in the ability to meet the increased demand globally for larger and more complex projects. Cadeler and Eneti are a strong match with many potential synergies as a result of similarities in business models, services and strategies. Additionally, scale remains one of the key competitive advantages in the offshore installation market with significant expected operational and commercial benefits driven by an increase in scale, a complementary fleet, and deep industry relationships, to support the needed green transition.

Consideration transferred

The consideration transferred for the shares in Eneti has been made in Cadeler shares by offering 8.409 ordinary Cadeler shares for one Eneti share. A total of 113,809,868 Cadeler shares have been exchanged, in return of 86% ownership of Eneti, at a fair value of EUR 441.2 million based on the acquisition date share closing price of NOK 44.10 on the Oslo Stock Exchange. In addition, in order to acquire shares not tendered, a squeeze out merger payment of EUR 54.7 million has been settled in cash, in return of 14% ownership of Eneti. Furthermore, an Eneti financing arrangement was settled by Cadeler immediately prior to closing. The payment made by Cadeler of EUR 40.9m, has been adjusted in the transaction price. The total consideration transferred amounts to EUR 536.9 million. Adjusted for the fair value of cash and cash equivalents acquired and non-cash consideration, the net cash purchase price received amounts to EUR 10.4 million.

Earnings impact

The acquisition of Eneti has contributed revenues of approximately EUR 3.4 million and net loss of approximately EUR (1.1) million to the Group for the period 19 December to 31 December 2023.

If the acquisition had occurred on 1 January 2023, the consolidated pro forma revenue and net loss of the combined Group for the year ended 31 December 2023 would have been approximately EUR 234 million and EUR (92) million, respectively.

Transaction costs

Total transaction costs recognised amount to EUR 14.7 million, of which EUR 7.7 million have been recognised as Administrative expenses in the Consolidated Statement of Profit and Loss and EUR 7.0 million recognised in Equity in the Consolidated Balance Sheet in relation to issuing of Cadeler shares issued for settling the share-for-share exchange offer.

Fair value of acquired net assets and recognised goodwill

As the closing of the acquisition was 19 December 2023, the acquisition accounting for the Eneti acquisition is ongoing, thus net assets, goodwill and contingent assets and liabilities recognised at the reporting date are to some extent still provisional. Adjustments may be applied to these amounts for a period of up to twelve months from the acquisition date in accordance with IFRS 3 (revised). Goodwill arising from the acquisition has not yet been allocated to the cash generating unit.

Goodwill recognised mainly relates to the operational efficiencies and expected synergies from the integration of Eneti into the Cadeler Group. Recognised goodwill is non-deductible for tax purposes.

Fair value measurement

Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

Property, plant and equipment

Fair value of property, plant and equipment relating to mainly vessels is measured based on external market valuations at the time of the acquisition carried out by professional appraisers, substantiated by an income approach, based on the present values of the expected cash flows.

Receivables

The fair value of acquired trade and other receivables and contract assets amounts to EUR29.4 million. Collectability of receivables has been assessed and no adjustments to the contractual cash flows have been made. As such, it is expected that contractual amounts can be collected.

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The provisional fair value of identified net assets and goodwill recognised comprises as follows:

Fair value of assets acquired and liabilities assumed

EUR'000	19 December 2023
Vessels including dry docks	296,707
Vessel under construction	144,219
Other fixtures & fittings	598
Right-of-use assets	1,033
Trade and other receivables	29,408
Inventories	147
Prepayments	3,821
Cash and cash equivalents	106,056
Total assets	581,989
Provisions	6,987
Deferred tax liabilities	10,315
Trade and other payables	40,271
Lease liabilities	1,300
Deferred charter hire income	1,937
Current income tax liabilities	1,217
Total liabilities	62,027
Total identifiable net assets at fair value	519,962
Goodwill arising on acquisition	16,919
Purchase price transferred	536,881
Cash and cash equivalents acquired	106,056
Consideration paid in shares	441,228
Net cash purchase price	(10,403)

Note 7

Employee Compensation

Onshore - presented within administrative expenses

EUR'000	Note	2023	2022	2021
Wages and salaries		16,957	8,873	6,637
Employer's contribution to defined contribution plans		847	502	350
Share based payment expense	8	1,134	352	360
Other short-term benefits		611	178	145
		19,549	9,905	7,492
Average number of full time employees		113	70	58

Employee compensation includes EUR 660 thousands related to bonus paid, included in transaction cost. For more information relate administrative expenses (Note 4).

Offshore - presented within cost of sales

EUR'000	Note	2023	2022	2021
Wages and salaries		14,056	11,693	1,097
Employer's contribution to defined contribution plans		1,124	1,082	60
Other short-term benefits		741	314	2
Total offshore employee compensation		15,921	13,089	1,159
Average number of full time employees		182	162	12

Total

EUR'000	Note	2023	2022	2021
Wages and salaries		31,013	20,566	7,734
Employer's contribution to defined contribution plans		1,971	1,584	410
Share based payment expense	8	1,134	352	360
Other short-term benefits		1,352	492	147
Total employee compensation		35,470	22,994	8,651
Average number of full time employees		295	232	70
Number of employees at the end of the reporting period		570	232	206

Eneti employees, both onshore and offshore, joined the Group by the end of December 2023. Thus, average number of full-time employees as of 2023 reflect the number of employees divided by 12 months. Eneti had 99 onshore full time employees and 176 seafarers by the end of 2023.

Offshore crew was hired directly by the Company by the end of November 2021. Average number of full-time employees as of 2021 reflect the number of seafarers. The Company had 148 seafarers by the end of 2021.

Labor costs related to certain employees who are working on the management of the newbuilding process have been capitalised. These capitalised costs amount to EUR 1.1 in 2023 and EUR 900 thousands in 2022.

Note 8

Long Term Incentive Programs

In December 2021, a new remuneration scheme was agreed starting in January 2022 and replacing the existing share-based incentive schemes for the majority of eligible employees. The terms of the programme initiated in December 2021 are:

(i) with effect from 2021, an annual cash bonus up to 12 months of salary for the CEO, and up to 6 months for selected employees. This bonus is at the discretion of the board and paid in cash the following January. Bonuses regarding selected employees is expensed in 2023.

(ii) with effect from 2021, an annual cash bonus up to 3 months of salary for other employees. This bonus paid based on Company, team and individual performance. The bonus is paid in cash at the end of the calendar year.

(iii) in January 2022, the executive management and selected employees were granted from 10,393 to 55,430 Restricted Share Units (RSU) which will vest July 2024 and are conditional upon continued employment within Cadeler. The total value of the RSU allocation is calculated based on the Company's closing share price on Nasdaq Copenhagen A/S on the day of the grant and the value is EUR 394 thousand (EUR 3.3 per RSU). The expense recognised in profit and loss for the year amounts to EUR 143 thousand (EUR 157 thousand in 2022). The average remaining contractual life as of 31 December 2023 is 0.5 years.

(iv) in January 2022, the executive management and selected employees were granted from 10,393 to 55,430 Options in Cadeler shares which will vest May 2024 and expire in April 2027. The strike price will range from NOK 36.02 to NOK 38.42 depending on the exercise period and are conditional upon continued employment within Cadeler. The fair value of these granted options was determined using the Black-Scholes model and the value is EUR 160 thousand (EUR 1.3 per RSU). The expense recognised in profit and loss for the year amounts to EUR 62 thousand (EUR 69 thousand in 2022). The average remaining contractual life for the options as of 31 December 2023 is 3.3 years.

For the programmes described in (iii) and (iv) the annualised volatility of the shares 48.1% is based on the historical volatility of the price of shares, annual risk free interest rate of 1%, dividend yield of zero, expected life until expiration date and average share price of EUR 3.7.

(v) in May 2022, the executive management and selected employees were granted from 43,420 to 221,719 Options in Cadeler shares which will vest in May 2025 and expire in May 2028. The strike price will be NOK 40.24 and is conditional upon continued employment within Cadeler. The fair value of these granted options was determined using the Black-Scholes model and the value is EUR 761 thousand (EUR 1.3 per RSU). The expense recognised in profit and loss for the year amounts to EUR 237 thousand. The average remaining contractual life for the options as per 31 December 2023 is 4.3 years. The annualised volatility of the shares 42.5% is based on the historical volatility of the price of shares, annual risk free interest rate of 2.8%, dividend yield of zero, expected life until expiration date and average share price of EUR 3.7.

(vi) in January 2023, the executive management and selected employees were granted from 19,760 to 130,416 Restricted Share Units which will vest in July 2025 and are conditional upon continued employment within Cadeler. The total value of the RSU allocation is calculated based on the Black-Scholes model and the value is EUR 1.2 million (EUR 3.0 per RSU). The expense recognised in profit and loss for the year amounts to EUR 498 thousand. The average remaining contractual life is 1.5 years. The average share price is NOK 36.56.

(vii) In August 2023, the executive management and selected employees were granted from 88,920 to 385,320 Options in Cadeler shares which will vest in August 2026 and expire in August 2029. The strike price will be NOK 45.49 and is conditional upon continued employment within Cadeler. The fair value of these granted options was determined using the Black-Scholes model and the value is EUR 2.2 million (EUR 1.8 per RSU). The expense recognised in profit and loss for the year amounts to EUR 250 thousand. The average remaining contractual life for the options as of 31 December 2023 is 5.5 years.

The annualised volatility of the shares 61.0% is based on the historical volatility of the price of shares, annual risk free interest rate of 2.68%, dividend yield of zero, expected life until expiration date and average share price of EUR3.7.

The Group previously had a share-based incentive scheme for its key employees in connection with the IPO, with the following key terms:

(viii) an incentive varying from 1 to 8 months of salary of the key employee paid in shares in the event the Offering is successful. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the first day of trading of the shares. The initial share price was set at observable input 27 November 2020 (146,626 shares) and was paid out in cash at the share price after the vesting period 27 November 2021.

The initial cost was calculated to EUR504 thousand but was paid out at EUR734 thousand. The charge to equity amounts to EUR230 thousand.

(ix) an incentive varying from 2 to 4 months of salary of the key employee paid in shares for the continuous employment of the employee for each full calendar year of 2020 and 2021. The incentive will be paid with the employee's salary in June in the following year, i.e., in June 2021 and June 2022. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the date the incentive will be paid in June 2021 and June 2022. As stated above this programme was terminated for most of employees and this part is reversed in equity and in profit and loss as well. The amount reversed regarding 2020 is EUR 3 thousand and 2021 EUR 167 thousand.

(x) with effect from 2021, a tiered annual bonus scheme for the CEO of the Company linked to KPIs and business profitability, which is capped at 8 months of gross monthly salary of the CEO paid in shares. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the CEO and shares price on the date falling 30 days from the date of filing of the audited accounts of the Company for the financial year.

As stated above this programme is terminated and was replaced with a cash bonus. The programme was accounted for as a cash-based incentive programme for 2021 and the full cash bonus was expensed for in 2021.

None of these instruments are exercisable at the reporting period.

	2023				2022			
	Executive management		Other employees		Executive management		Other employees	
	Number	WAEP ¹	Number	WAEP ¹	Number	WAEP ¹	Number	WAEP ¹
Outstanding instruments – Options								
Outstanding at 1 January	344,589	3.16	330,963	3.15	—	—	—	—
Granted during the year	622,440	3.64	563,160	3.64	344,589	3.16	330,963	3.15
Forfeited during the year	—	—	—	—	—	—	—	—
Exercised during the year	—	—	—	—	—	—	—	—
Expired during the year	—	—	—	—	—	—	—	—
Outstanding at 31 December	967,029	3.47	894,123	3.46	344,589	3.16	330,963	3.15

	2023				2022			
	Executive management		Other employees		Executive management		Other employees	
	Number	WAEP ¹	Number	WAEP ¹	Number	WAEP ¹	Number	WAEP ¹
Outstanding instruments - RSU								
Outstanding at 1 January	55,430	—	65,823	—	—	—	—	—
Granted during the year	189,696	—	205,504	—	55,430	—	65,823	—
Forfeited during the year	—	—	—	—	—	—	—	—
Exercised during the year	—	—	—	—	—	—	—	—
Expired during the year	—	—	—	—	—	—	—	—
Outstanding at 31 December	245,126	—	271,327	—	55,430	—	65,823	—

¹EUR Weighted average exercise price (WAEP).

Note 9

Board of Directors and Management Compensation

EUR'000	2023			2022			2021		
	Board of directors	Executive management	Total	Board of directors	Executive management	Total	Board of directors	Executive management	Total
Wages, salaries and board fees	183	850	1,033	180	683	863	180	650	830
Share based payment	—	588	588	—	173	173	—	164	164
Other short-term benefits	—	55	55	—	36	36	—	23	23
Cash bonus	—	1,155	1,155	—	482	482	—	314	314
Total management compensation	183	2,648	2,831	180	1,374	1,554	180	1,151	1,331

Executive management

Executive management means the members of the executive management which were registered with the Danish business authority and who have the authority and responsibility for the planning, directing and controlling activities of the Company as defined by IAS 24. In 2021, Key management also included personnel who supported executive management, for the planning, directing and controlling activities of the Company.

Board of directors

Andreas Sohmen-Pao and Andreas Beroutsos are employed by the BW Group. These board members have not received remuneration from Cadeler in 2021, 2022 and 2023. Andreas Beroutsos stepped down from the Board with effect from 25 April 2023. On the same date, Andrea Abt joined the Board.

David Peter Cogman is employed by the Swire Group and has not received remuneration from Cadeler in 2021, 2022 and 2023. David Peter Cogman stepped down from the Board with effect from 16 June 2023 along with Connie Hedegaard.

On 20 February 2024, Emanuele Lauro and James Nish joined the Board. Emanuele Lauro is the Director and Chief Executive Officer of Scorpio Holdings Limited considered a related party (See Note 27).

Note 10

Finance Income and Expenses

EUR'000	2023	2022	2021
Foreign currency gain	109	3,424	1,795
Fair value change of derivative (ineffectiveness)	—	363	—
Interest gained	1,432	244	—
Finance income	1,541	4,031	1,795
EUR'000	2023	2022	2021
Interest expense			
– Interest linked to debt liabilities	2,851	1,351	2,727
– Interest with related parties	—	157	684
Fair value change of derivative (ineffectiveness)	765	—	—
Lease liabilities	25	21	30
Foreign currency loss	389	7,834	1,692
Bank fees	456	318	358
Finance expenses	4,486	9,681	5,491

Total interest paid in 2023 as per Consolidated Statement of Cash Flows amounts to EUR7.1 million (2022: EUR 4.2 million) which have been capitalised to Property, Plant and Equipment. For more information refer to Note 18. Total interest linked to debt liabilities include EUR 1.9 million (2022: EUR 0.9) due to write off of loan fees relate to the previous debt facility and an additional EUR 1.0 million from the amendment to that prior facility in June 2023.



Note 11

Income Taxes

EUR'000	2023	2022	2021
Income tax expense			
Tax expense attributable to profit is made up of:			
Utilisation of non-recognised tax losses offset against Danish Tonnage Tax expense	—	—	(13)
Total Income tax expense	—	—	(13)

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, inclusive.

On 15 December 2020, Cadeler A/S received a binding ruling from the Danish Tax Authorities. According to this, Cadeler A/S was able to apply the Danish Tonnage Taxation after the listing of the shares 27 November 2020. Management applied the Danish Tonnage Taxation since 2021. The recorded tonnage tax expense for 2023 in Denmark and Cyprus amount to EUR 0 thousand and EUR 5 thousand respectively (2022: EUR 0 thousand and EUR 5 thousand respectively; 2021: EUR - 13 thousand and EUR 5 thousand respectively).

Cadeler A/S also has material tax losses from previous periods available for carry forward. Such tax losses can be utilised against future tonnage taxation income and other income, which does not qualify for tonnage taxation. The tax value of tax losses to be carried forward as of 31 December 2023 are approximately EUR 13 million (EUR 13 and EUR 12 million as of 31 December 2022 and 2021, respectively) and have not been recognised as it is not considered probable that the tax loss will be utilised. The tax losses are not subject to expiration.

The Company operates in several countries. The Group's annual tax positions are based on taxable income, statutory rates and allowances, transfer pricing assumptions and the interpretation of the tax laws in the various jurisdictions of its operations.

Such positions require significant judgment and the use of estimates and assumptions regarding significant future events such as the amount, timing and tax characterisation of certain transactions, changes in tax laws and treaties, and the timing and amount of profitability in each location in any given year.

Additionally, certain of our entities enter into agreements with other of our entities to provide specialised services and equipment to their operations. However, in some jurisdictions the interpretation of tax laws relating to the pricing of transactions between related parties could potentially result in tax authorities asserting additional tax liabilities with no offsetting tax recovery in other jurisdictions.

The Company's tax filings may be subject to regular audits by the tax authorities as applicable to local law. These audits may result in assessments for additional taxes that are resolved with the authorities or, potentially, through the courts. Due to the uncertain and complex application of tax regulations, the ultimate resolution of audits may result in liabilities that could be materially different from these estimates. In such an event, the Company will record additional tax expense or tax benefit in the period in which such resolution occurs.

The Company reviewed the carrying amount of deferred tax assets at the reporting date and assessed if sufficient taxable profits will be available to allow a deferred tax asset to be utilised either in full or in part. To assess the availability of future taxable profits, management estimates future revenues and costs, capital allowances and tax planning opportunities.

After consideration of all the information available, including its historical operating losses over the last three years, management believes that sufficient uncertainty exists with respect to future realisation of deferred tax assets and therefore has not been recognised. The Company assess that such deferred tax assets do not meet the recognition criteria until it can sustain a level of taxable profitability that demonstrates its ability to realise these assets.

Deferred tax

Deferred tax relates to the following:

EUR'000	2023	2022	2021
Reconciliation of deferred tax liabilities, net			
Beginning of financial year	—	—	—
Acquisition of businesses	10,321	—	—
Exchange differences	(130)	—	—
31 December 2023	10,191	—	—

Deferred tax positions as at 31 December 2023 relates to vessels.

Effective Tax Rate	2023		2022		2021	
	EUR'000	%	EUR'000	%	EUR'000	%
Tax expense attributable to profit is made up of:						
Accounting profit before income tax	11,498		35,541		7,450	
Adjustment regarding tonnage taxed income	(11,498)		(35,541)		(7,450)	
Accounting profit before income tax relating to Corporation Tax	—		—		—	
Calculated tax at statutory tax rate in Denmark, 22%	—	22	—	22	—	22
Tax impact from:						
Change in impairment of deferred tax assets in the year	—	22	—	22	(13)	22
Income tax expense, reported	—	—	—	—	(13)	—
Effective tax rate (%)	0.0 %		0.0 %		0.0 %	

Note 12

Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The weighted average number of ordinary shares takes into account the weighted average effect of share based payments during the year as well as issuance of shares in connection with business combination with Eneti. In December 2023, 113 million shares were issued for this business combination.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

EUR'000	2023	2022	2021
Profit attributable to ordinary equity holders of the parent for basic earnings	11,498	35,541	7,451
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	11,498	35,541	7,451

Thousands	2023	2022	2021
Weighted average number of ordinary shares for basic EPS¹	201,362	163,219	131,161
Effect of dilution from shared based payments programme	1,861	676	—
Weighted average number of ordinary shares adjusted for the effect of dilution¹	203,223	163,895	131,161

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these Financial Statements.

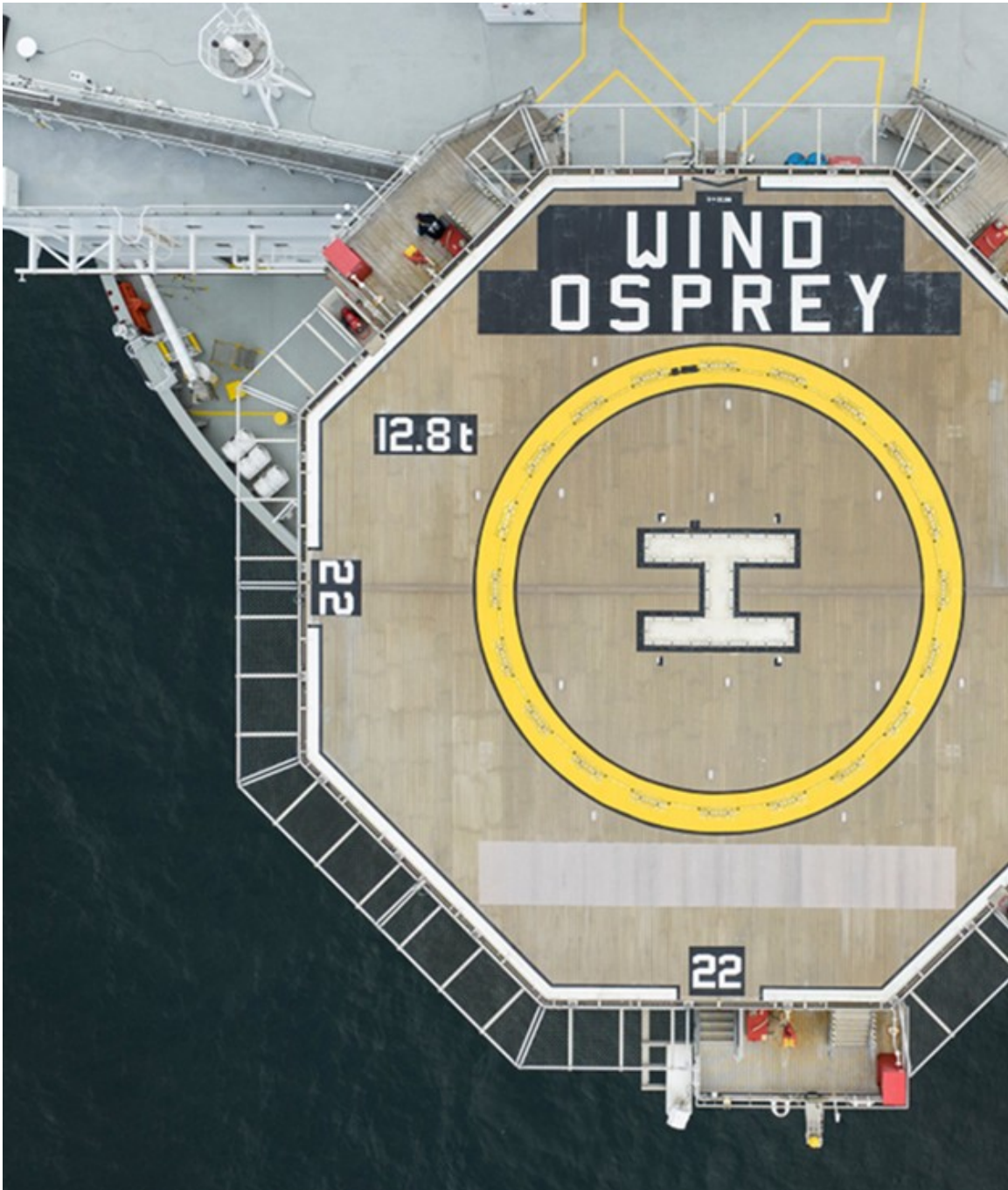
¹The weighted average number of shares takes into account the weighted average effect of share based payments during the year.

Note 13

Cash and Bank Balances

EUR'000	2023	2022	2021
Cash at bank and on hand	96,608	19,012	2,308

The Company is holding cash by 31 December 2023 with the intention of paying asset under construction related instalments in the first half of 2024.



Note 14

Trade and Other Receivables

EUR'000	2023	2022	2021
Trade receivables from non-related parties	26,802	17,635	18,424
Contract assets	8,880	19,999	843
Receivables from related parties	592	—	—
Other receivables	3,158	600	1,106
	39,432	38,234	20,373

As of 31 December 2023, the Company's receivables include contract assets totalling EUR8.9 million, a significant decrease from EUR 20 million in 2022. These contract assets represent the Company's entitlement to proportional consideration for ongoing projects as of the balance sheet date. Typically, these contract assets are reclassified to trade receivables when the Company fulfils its obligations and the right to consideration becomes unconditional, usually upon completion of the project.

Expected credit loss on trade receivables

The Group has historically only experienced immaterial losses on trade receivables, if any. Further, a material part of the cash flows in the contracts are prepayments received up front.

The Group's assessment remains consistent with its past practices. Although some positions may transition to 30 days overdue, our overall position on credit risk management remains unchanged. This assessment is supported by historical data, a select group of reliable debtors, and our outlook for the future.

EUR'000	Trade receivables	Contract assets	Expected loss	Total
31 December 2023				
Not due	9,639	8,880	—	18,519
Overdue 1-30 days	14,287	—	—	14,287
Overdue 31 to 60 days	603	—	—	603
Overdue +61 days	2,273	—	—	2,273
Total	26,802	8,880	—	35,682
31 December 2022				
Not due	17,197	19,999	—	37,196
Overdue 1-30 days	438	—	—	438
Overdue 31 to 60 days	—	—	—	—
Overdue +61 days	—	—	—	—
Total	17,635	19,999	—	37,634
31 December 2021				
Not due	7,850	843	—	8,693
Overdue 1-30 days	8,962	—	—	8,962
Overdue 31 to 60 days	316	—	—	316
Overdue +61 days	1,296	—	—	1,296
Total	18,424	843	—	19,267

Note 15

Inventories

EUR'000	2023	2022	2021
Fuel and oil	1,836	549	440

As of 31 December 2023, the Company's inventories include fuel and oil totalling EUR1.8 million, a significant increase from EUR 0.5 million in 2022 since three of our four operating vessels were off hire at the end of the reporting period.

Note 16

Prepayments

EUR'000	2023	2022	2021
Prepayments	9,562	1,699	1,497

Prepayments include deferred costs like bank loan fees, insurance annual premiums and software annual subscriptions.



Note 17

Intangible Assets

EUR '000	2023			2022		2021	
	Software	Goodwill	Total	Software	Software	Software	Software
Cost							
Beginning of period	662	—	662	434			
Acquisition of businesses	—	16,919	16,919	—			
Additions	31	—	31	228			434
Exchange differences	—	(212)	(212)				
31 December	693	16,707	17,400	662			434
Accumulated depreciation							
Beginning of period	243	—	243	32			
Depreciation charge	210	—	210	211			32
31 December	453	—	453	243			32
Net book value	240	16,707	16,947	419			402

Software additions during 2023 are mainly related to further developments of the Company software solutions.

While 2021 additions were mainly implementation costs for Enterprise Resource and Planning (ERP), Vessel and Crew Management software, 2022 additions are mainly further developments of these initially implemented solutions.

Impairment Test

Management has performed impairment test of goodwill allocated to each CGU as at December 31, 2023.

Goodwill of EUR 16.9 million was recognised on 19 December 2023 relating to the Eneti acquisition. The Group has two CGUs being the transport and installation of offshore wind turbine generators and foundations vessels (WTGFIV), Cadeler's O-class vessels and Scylla; and the maintenance of offshore wind turbine generators (O&MV) cash-generating unit, comprising Zaratan. At 31 December 2023, Management has not yet concluded on the allocation of goodwill, which could be either to a single CGU or to both CGUs'. Management assessed goodwill for impairment on entity level (being both CGUs), which showed no indication of impairment, based on the quoted price of Cadeler's shares. For more information related to Goodwill recognised and allocation of goodwill to CGU, please refer to Note 6.

Note 18

Property Plant and Equipment

EUR '000	Vessels	Dry Dock	Other fixtures and fittings	Assets under Construction	Total
Cost 2023					
Beginning of financial year	282,282	9,261	536	356,163	648,242
Acquisition of businesses	296,536	171	599	144,219	441,525
Additions	227	—	3	73,169	73,399
Disposals	(8,002)	(291)	—	—	(8,293)
Exchange differences	(4,683)	(6)	(159)	(1,806)	(6,654)
31 December 2023	566,360	9,135	979	571,745	1,148,219
Accumulated depreciation and impairment					
Beginning of financial year	39,570	2,023	445	—	42,038
Depreciation charge	20,847	1,637	19	—	22,503
Disposals	(5,722)	(108)	—	—	(5,830)
Impairment on disposal	5,000	—	—	—	5,000
Exchange differences	(968)	(4)	(152)	—	(1,124)
31 December 2023	58,727	3,548	312	—	62,587
Net book value	507,633	5,587	667	571,745	1,085,632

Due to business combination with Eneti, the Group's property, plant, and equipment increased by EUR441.5 million in 2023. This primarily comprised the Operating Vessels Wind Scylla and Wind Zaratán (EUR 205,879 and EUR 86,927, respectively) and the newbuilds under construction, the M-Class down payments for EUR 144 million.

Additions during 2023 are mainly driven by down payments of EUR42 million for the new P-class installation vessels (EUR 15.4 million), the new A-class foundation installation vessels (EUR 3.8 million) and instalments for the main cranes for both Wind Orca (EUR16.0 million) and Wind Osprey (EUR 6.8 million), represented above on Assets under Construction. In addition, Assets under Construction contains EUR 7.6 million worth of guarantee fees to BW Group related to the A-class and P-class newbuild vessels as well as EUR 5.7 million of assets related to future projects that have not yet started.

Borrowing costs for 2023 has been capitalised for a total of EUR7.1 million (2022: EUR 4.2 million). The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the reported period, in this case 5.5% (2022: 5.7)%.

Disposals during 2023 are mainly driven by the main cranes upgraded in both O-Class vessels, as well as impairment recognised. For further details, please refer to Note 5.

EUR '000	Vessels	Dry Dock	Other fixtures and fittings	Assets under Construction	Total
Cost 2022					
Beginning of financial year	258,148	1,983	536	158,734	419,401
Additions	15,105	5,281	—	208,455	228,841
Transfer from assets under construction	9,029	1,997	—	(11,026)	—
31 December 2022	282,282	9,261	536	356,163	648,242
Accumulated depreciation					
Beginning of financial year	19,629	300	386	—	20,315
Depreciation charge	19,941	1,723	59	—	21,723
31 December 2022	39,570	2,023	445	—	42,038
Net book value	242,712	7,238	91	356,163	606,204

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Additions during 2022 are mainly driven by down payments for EUR167 million of the two new A-class foundation installation vessels and instalments for the main cranes for both Wind Orca (EUR 10.7 million) and Wind Osprey (EUR 16.3 million), represented above on Assets under Construction. There was also a transfer from assets under construction to additions for EUR 11 million, of which EUR 9 million due to the capitalisation of vessel equipment.

Borrowing costs for 2022 has been capitalised for a total of EUR4.2 million. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the reported period, in this case 5.7%.

EUR'000	Vessels	Dry Dock	Other fixtures and fittings	Assets under Construction	Total
Cost 2021					
Beginning of financial year	255,030	1,050	379	—	256,459
Additions	3,118	933	157	158,734	162,942
31 December 2021	258,148	1,983	536	158,734	419,401
Accumulated depreciation					
Beginning of financial year	3,853	—	280	—	4,133
Depreciation charge	15,776	300	106	—	16,182
31 December 2021	19,629	300	386	—	20,315
Net book value	238,520	1,683	150	158,734	399,087

Additions during 2021 are mainly driven by down payments for EUR137 million of the two new P- Class WTIVs and new crane for Wind Orca (EUR 7 million), represented above on Assets under Construction.

Impairment Test on vessels (excluding goodwill)

The Company has neither identified internal nor external impairment indicators. However, on a voluntary basis management performs an impairment test every year. For the purpose of testing the Group's vessels the impairment test is performed on a vessel-by-vessel basis.

The Company is applying both fair value less costs of disposal (FVLCO) to determine the arm's length sale price of an asset at the measurement date and the value-in-use (VIU) method for estimating the expected future cash flows that the asset in the current condition will produce. The VIU method assumes the asset will be recovered principally through its continuing use.

The impairment test involves estimating both FVLCO and VIU and comparing the higher amount to the asset's carrying amount. The Group has two CGUs being the transport and installation of offshore wind turbine generators and foundations vessels (WTGFIV), comprising Cadeler's O-class vessels and Scylla; and the maintenance of offshore wind turbine generators (O&MV) cash-generating units, comprising Zaratan. As of 31 December 2023, Management tested the carrying amount of its two CGUs including goodwill for impairment, cf. note 17, and each vessel on a stand-alone basis as described below.

Independent market values on each vessel

Two independent evaluations of the market value of the two O-class vessels were received in the second half of 2023. The first evaluation was made the 9 November 2023 by Clarksons Valuations Limited for an estimation of USD 400-440 million (corresponding to EUR 377-415 million), which is 67-84% higher than the carrying amount. The second vessel evaluation was made the 13 November 2023 by Fearnleys Asia (Singapore) Pte Ltd for an estimation of USD 332 million (corresponding to EUR 313 million), which is 34% higher than the carrying amount. In addition, two independent evaluations of the market value of Wind Scylla were received in November 2023. The first evaluation was made by Clarksons Valuations Limited for an estimation of USD 225-240 million (corresponding to EUR 203-217 million), which is 5% higher than the carrying amount. The second vessel evaluation was made by Pareto for an estimation of USD 285-295 million (corresponding to EUR 258-267 million), which is 25-29% higher than the carrying amount.

Two independent evaluations of the market value of Wind Zaratan were performed in the second half of 2023. The first evaluation was made by Clarksons Valuations Limited for an estimation of USD 95-115 million (corresponding to EUR 86-104 million), which is 21% higher than the carrying amount. The second vessel evaluation was made by Pareto for an estimation of USD 95-105 million (corresponding to EUR 86-95 million), which is 10% higher than the carrying amount.

The impairment assessment involves comparing net book values with broker valuations. The net book value is below the broker valuations, hence there is headroom all vessels. Management assesses key input inputs used in the independent evaluations to support no impairment indicators as explained below.

VIU calculation

As of December 2023, Management has prepared a value-in-use calculation for the vessels. For the acquired vessels in December 2023, management relied on input from DCF models in connection with accounting for the business combination, cf. note 6.

The discounted cash flow period has been calculated from the remaining useful life of the vessel as this is deemed most representative for the actual value of the vessels.

The VIU is calculated based on cash flow projections in financial budgets and business plans as follows:

- From 2024 revenue is based on a combination of signed contracts and market estimated day rates and utilisation for O-class vessels (using externally available information) and a yearly increase of 2%.
- OPEX includes expected 2024 levels (using internal forecasts) plus an increase for inflation on following years and CAPEX includes full investment on crane upgrades based on investment budget.

The discount rate used in the calculation is based on a Weighted Average Cost of Capital (WACC) of 9.5% after tax, (8% after tax in 2022 and 8.5% after tax in 2021). As the Company is subject to the tonnage tax regime, the tax consideration in the WACC calculation for impairment of a vessel is immaterial. Therefore, the before and after tax WACC remain the same for impairment testing purposes. WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

The calculation showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

A sensitivity analysis was also undertaken assuming an increase or decrease in the WACC by 1% as well as an increase or decrease in the revenue by EUR 20 thousand per day. Within this sensitivity analysis the calculations also showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

The value in use test further showed that headroom is calculated with respect to the investment in new cranes.

Newbuilds

As for the newbuilds vessels it is management opinion that current signed contracts and the expected day rates in the future support no impairment indicators.

The discount rate used in the calculation is based on a Weighted Average Cost of Capital (WACC) of 9.5% after tax, (8% after tax in 2022 and 8.5% after tax in 2021). As the Company is subject to the tonnage tax regime, the tax consideration in the WACC calculation for impairment of a vessel is immaterial. Therefore, the before and after tax WACC remain the same for impairment testing purposes.

WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

The calculation showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

A sensitivity analysis was also undertaken assuming an increase or decrease in the WACC by 1% as well as an increase or decrease in the revenue by EUR 20 thousand per day. Within this sensitivity analysis the calculations also showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

Sufficient headroom is calculated with respect to the investment in new cranes.

The impairment assessment for Wind Scylla and Wind Zaratan involves comparing their net book values with broker valuations. The net book value is below the broker valuations, hence there is sufficient headroom for the S-Class and Z-Class vessels. As for all the newbuilds vessels it is management opinion that current signed contracts and the expected day rates in the future support the agreed purchase prices of the vessels.



Note 19

Right of Use Assets

Nature of the Group leasing activities

Leasehold equipment

In 2022 the Group started an agreement for the use of vessel equipment for a total contract value of EUR464 thousand during the initial term, plus additional repair and installation costs. The amount was amortised over the initial term which was 13 months, ending in 2023.

Office space

The Group leases office space for the purpose of office operations. In 2023, the Company has terminated the lease agreement for its headquarters and signed a contract with Castellum Denmark, for a new location from 2024. The lease commitment is presented in Note 23.

Warehouse facilities

The Group leases a warehouse facility located in the UK.

EUR'000	Leasehold equipment	Warehouse facilities	Office space	Total
Cost 2023				
Beginning of financial year	464	—	1,681	2,145
Acquisition of businesses	—	421	612	1,033
Exchange differences	—	(12)	(32)	(44)
31 December 2023	464	409	2,261	3,134
Accumulated depreciation				
Beginning of financial year	381	—	1,477	1,858
Amortisation charge	83	30	221	334
Exchange differences	—	(6)	(25)	(31)
31 December 2023	464	24	1,673	2,161
Net book value	—	385	588	973

EUR'000	Leasehold equipment	Office space	Total
Cost 2022			
Beginning of financial year	—	1,572	1,572
Movement during the year	464	109	573
31 December 2022	464	1,681	2,145
Accumulated depreciation			
Beginning of financial year	—	1,108	1,108
Amortisation charge	381	369	750
31 December 2022	381	1,477	1,858
Net book value	83	204	287

EUR'000	Office space	Total
Cost 2021		
Beginning of financial year	1,572	1,572
31 December 2021	1,572	1,572
Accumulated depreciation		
Beginning of financial year	832	832
Amortisation charge	276	276
31 December 2021	1,108	1,108
Net book value	464	464

Please refer to Note 24 for disclosure on the lease liabilities and to Note 23 for disclosure on lease commitment

Lease interest expenses recognised in profit and loss

a. Interest expense

EUR'000	2023	2022	2021
Interest expense on lease liabilities (vessels and office)	25	21	30

b. Lease expense not capitalised in lease liabilities

EUR'000	2023	2022	2021
Short-term lease expense	180	53	34

c. Total cash outflow for all leases in 2023, 2022 and 2021 were EUR283 thousand, EUR 728 thousand and EUR 315 thousand respectively, excluding variable lease fee (refer to Note 24).

EUR'000	2023	2022	2021
Repayment of lease liability	283	728	315
Rental above standby rate	—	—	196
Cash outflow for leases that are not capitalised	180	53	34
	463	781	545

Note 20

Provisions, Trade and Other Payables

EUR'000	2023	2022	2021
Trade and other payables:			
Trade payables	8,399	3,979	2,795
Other payables	24,237	4,843	6,908
	32,636	8,822	9,703

The increase in other payables is attributed to year-end activity and temporal mismatches in payment processing, including cut-off procedures.

EUR'000	2023	2022	2021
Provisions:			
Beginning of financial year	—	—	—
Acquisition of businesses	6,987	—	—
Exchange differences	(88)	—	—
	6,899	—	—

A provision is recognised for certain contracts with customers for which the unavoidable costs of meeting the performance obligations exceed the economic benefits expected to be received. It is anticipated that these costs will be incurred in the next financial year.

Note 21

Deferred Income Taxes

Cadeler A/S has material tax losses from previous periods available to carry forward.

Such tax losses can be utilised against future tonnage taxation income and other income, which does not qualify for tonnage taxation. The tax value of tax losses to be carried forward as of 31 December 2023 are in the region of EUR 13 million. The tax losses are not subject to expiration.

No deferred tax asset in relation to the tax losses has been recognised as of 31 December 2023 as they are not expected to be utilised within the foreseeable future (3-5 years).

As at 31 December 2023, due to the business combination and the potential election to the UK tonnage tax, the Group had a gross unrecognised deferred tax asset balance of EUR 490.2 million. This balance is unrecognised at the UK corporate tax rate of 25% creating a net balance of EUR 135.6 million.

Deferred tax impact have been recognised to the extent these adjustments increase or reduce recognised deferred tax liabilities. Because of uncertainty related to future choices of tax regimes, e.g. a tonnage taxation regime or an income tax regime, or uncertainty on future earnings that can recover previous not recognised deferred tax assets or tax assets arising from other pro forma adjustments, no deferred tax assets have been recognised.



Note 22

Issued Share Capital

EUR '000	No. of shares	2023	2022	2021
Ordinary shares				
Beginning and end of financial year 2021	138,574	26,575	18,641	18,641
Issued on May 2022 for capital increase	26,176	—	3,518	—
Issued on October 2022 for capital increase	32,850	—	4,416	—
Issued on December 2023 for capital increase	113,809	15,263	—	—
End of financial year 2023	311,409	41,838	26,575	18,641

As of 1 January 2023, the Group's issued and paid in share capital amounted to DKK197,600 thousand, equal to EUR26,575 thousand, consisting of 197,600,000 shares of DKK 1.

In June 2023, Cadeler and Eneti entered into a Business Combination Agreement, executed through a stock-for-stock exchange offer made to all stockholders of Eneti. In December 2023, the share exchange offer was successfully completed and, consequently, the registration of the share capital increase.

In December 2023, the authorised share capital was increased by DKK113,809 thousand, equal to EUR15,263 thousand, consisting of 113,809,868 shares of DKK 1.

At the end of 2023, the Group had share capital amounting to DKK311,409 thousand, equal to EUR41,838 thousand, consisting of 311,409,868 shares of DKK 1.

All shares have equal rights.



Note 23

Commitments and Pledges

Lease commitments

The future lease payables under non-cancellable value and short-term leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

EUR'000	2023	2022	2021
Not later than one year	1,090	53	18
Between one and five years	4,984	9	—
	6,074	62	18

The Company's lease commitments include tenure of the new headquarters, which will reflect at the balance sheet in Q1 2024 under IFRS 16. The Company signed the contract with Castellum Denmark and will have access to almost 5,000 m2 of office space in central Copenhagen. The contract, with a six years bidding period, amounted to EUR8 million. The Company paid EUR 1 million as a deposit fee for this contract.

Pledge of Fixed Assets

The New Debt Facility detailed in Note 26 is secured by, inter alia, a first priority mortgage over the Wind Orca, Wind Osprey, Wind Scylla and Wind Zaratan Vessels (EUR 511 million carrying value, see Note 18), first priority assignment of the earnings of the vessel owning entities, including certain change of control provisions which are similar to those included in the P-Class Facility.

The P-Class facility is secured by a first priority mortgage over the P-Class newbuilds, first priority assignments of the insurances and earnings of the P-Class newbuilds by Cadeler and the two borrowers and contain customary financial and other covenants including certain change of control provisions. There will be a change of control under the P-Class Facility if any person or group of persons acting in concert (other than Swire Pacific and the BW Group) hold legally and beneficially more than 25% of each of the issued and outstanding share capital and/or the issued and outstanding voting share capital of Cadeler A/S. In addition, a number of changes to the ownership structure further down in the Group will trigger a change of control such as, among others, if either Wind N1063 Limited or Wind N1064 Limited ceases to be a wholly owned (direct or indirect) subsidiary of Cadeler. The P-Class Facility will be governed by English law.

Wind Osprey & Wind Orca new crane contract

The Company signed a contract with NOV on 18 December 2020 to replace the main crane of Wind Orca and then executed the option to replace the main crane for Wind Osprey on 17 June 2021. The total sum of the contract with NOV for the replacement of both cranes is EUR 83.4 million, of which EUR 7 million was paid in 2021, EUR 27 million was paid in 2022 and EUR 15.8 million was paid in 2023. The remaining scheduled payments will be due in 2024.

P-Class vessels

Since 30 June 2021 the Company has a contract with COSCO SHIPPING Heavy Industry CO. Ltd. ("COSCO") to build two new P-class WTIVs. The total sum of the contract for the new vessels is approximately EUR 572 million, of which EUR 137 million was paid in 2021 and EUR 14 million was paid in 2023. The remaining scheduled payments will be due between 2024 and 2025. Of the total contract, USD 390 million is paid in USD and EUR 220 million will be paid in EUR.

A-Class vessels

On 9 May 2022 and 22 November 2022 the Company signed additional contracts with COSCO SHIPPING Heavy Industry to build a total of two new A-Class foundation installation vessel. The total sum of the contracts for the new vessel is approximately EUR 657 million, of which approximately a total of EUR 167 million was paid in 2022, while the remaining amounts will be due over the years from 2025 to 2026. Of the total contract, USD 495 million is paid in USD and EUR 205 million is paid in EUR.

M-Class vessels

The Company, due to the business combination with Eneti, is currently under contract with Hanwha for the construction of two next generation offshore WTIVs. The total sum of the contracts is approximately EUR 592 million, of which EUR 118 million has been paid. The remaining scheduled payments will be due between 2024 and 2025.

Remaining instalments for the newbuilds vessels:

As of 31 December 2023

Millions	P-Class	M-Class	A-Class	Total
Contract amount in EUR	220	—	205	425
Contract amount in USD	390	655	495	1,540
Total Contract amount translated to EUR	572	592	657	1,821
Commitment amount in EUR	69	—	105	174
Commitment amount in USD	390	524	426	1,340
Commitment amount translated to EUR	421	474	490	1,385

As of 31 December 2022

Millions	P-Class	A-Class	Total
Contract amount in EUR	220	205	425
Contract amount in USD	390	495	885
Total Contract amount translated to EUR	572	657	1,229
Commitment amount in EUR	82	105	187
Commitment amount in USD	390	426	816
Commitment amount translated to EUR	435	490	925

As of 31 December 2021

Millions	P-Class
Contract amount in EUR	220
Contract amount in USD	390
Total Contract amount translated to EUR	572
Commitment amount in EUR	82
Commitment amount in USD	390
Commitment amount translated to EUR	435

Note 24

Financial Risk Management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The financial risk management of the Group is managed by the management of Cadeler and overseen by the Board of Directors and Audit Committee. The fair value of the Group's financial assets and liabilities as of 31 December 2023 does not deviate materially to the carrying amounts as of 31 December 2023.

Quantitative and Qualitative Disclosures about Market Risk*Currency risk*

The Group's business is exposed to the Danish Kroner ("DKK"), Norwegian Kroner ("NOK"), British pound sterling ("GBP") and United States Dollar ("USD") as certain operating expenses are denominated in these currencies. The Company will look to use financial instruments to reduce currency risk when there is significant liability or income in a non-EUR or DKK denominated currency and there is a cost-effective solution.

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The largest currency exposure of the Group is the future instalments for the new P, A and M class vessels in USD (USD1.3 billion), more details can be found in Note 25 with regards of the current instruments used to mitigate this currency risk. Management and Board of Directors will evaluate the potential cost and benefits of currency exposure on an ongoing basis.

The Group holds cash balances in USD. If the USD:EUR exchange rate deteriorated by 10% the result before tax would have decreased by EUR 4.6 million (EUR 30 thousand in 2022; EUR 80 thousand in 2021) based on the USD cash holdings as at 31 December 2023.

The Group holds cash balances in GBP. If the GBP:EUR exchange rate deteriorated by 10% the result before tax would have decreased by EUR 1.4 million based on the GBP cash holdings as at 31 December 2023.

As the DKK is pegged to EUR, no material currency risk has been identified against the DKK even though the Cadeler Group has costs denominated in DKK. As of 31 December 2023, the Cadeler Group did not have any material NOK cash holdings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's current exposure to the risk of changes in market interest rates relates primarily to the Revolving Credit Facility (RCF) which was taken out on the 1 July 2022 and refinanced on the 7 December 2023, the New Debt facility, the P-Class facility, M-Class facility and Holdco facility. More details can be found in Note 25 with regards of the current instruments used to mitigate this risk.

The New Debt facility and Holdco facility are based on a EURIBOR interest rate plus a margin. The EURIBOR interest rate has a floor of 0bps and was 3.9% and 2.0% at the end of 2023 and 2022, respectively.

If the EURIBOR interest rate increased 100bps over the floor of 0bps, and the loans had been provided throughout the entire period of 2023, the cost would have increased by EUR 2.1 million (EUR 1.5 million in 2022; EUR 715 thousand in 2021). This variation could potentially qualify as capitalisable borrowing costs and minimise the impact on the result before tax. If the interest rate decreases the result before tax would not change due to capitalisation of borrowing costs.

Management and Board of Directors will evaluate the potential cost and benefits of fixed interested rate borrowings on an ongoing basis.

Credit risk

Risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the following policy to mitigate credit risk.

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

The Group adopts the policy of dealing only with customers of appropriate history and obtaining sufficient security where appropriate to mitigate credit risk. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk.

These credit terms are normally contractual and credit policies spell out clearly the guidelines on extending credit to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered.

Related party credit risk is managed by the Executive Management of Cadeler and overseen by the Board of Directors.

The maximum exposure to credit risk is the carrying amount of trade receivables and other receivables, receivables from group entities and cash and bank balances presented on the balance sheet.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (“ECLs”) associated with its financial assets which are trade and other receivables, cash and bank balances and contract assets. Financial assets are written-off when there is no reasonable expectation of recovery, such as a non-related debtor failing to engage in a repayment plan with the Group.

Where receivables have been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group has applied the simplified credit loss approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables from customers. To measure the expected credit losses, the Group grouped receivables based on shared credit characteristics and days past due.

Trade receivables from external customers that are neither past due nor impaired are with creditworthy companies. Based on the provision matrix, the trade receivables from external customers are subject to immaterial credit loss. Refer to Note 14 for analysis of expected credit loss on trade receivables and contract assets.

For cash and bank balances and other receivables that are measured at amortised cost, the Group has considered these financial assets as low credit risk. Cash and bank balances are mainly deposits with banks who have high credit-ratings as determined by international credit-rating agencies. As at 31 December 2023, cash and bank balances and other receivables are subject to immaterial credit loss. There is no credit loss allowance for other financial asset at amortised cost as at 31 December 2023, 2022 and 2021.

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and available funding through committed credit facilities to enable it to meet its operational requirements and instalments for the newbuilds vessels signed. Please refer to Note 26 – Financial Liabilities: Interest-bearing Loans and Borrowing for a detailed disclosure of the current facilities of the Group.

The following maturity table shows the contract obligation for the construction of the newbuilds vessels:

Millions	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
2023				
Obligation in USD	328	833	180	1,341
Obligation in USD (in EUR)	296	752	163	1,211
Obligation in EUR	69	99	6	174
Total obligations (in EUR)	365	851	169	1,385
2022				
Obligation in USD	—	197	619	816
Obligation in USD (in EUR)	—	187	588	775
Obligation in EUR	13	69	105	187
Total obligations (in EUR)	13	256	693	962

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EUR '000	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
2023				
Trade and other payables	32,636	—	—	32,636
Payables to Related parties	162	—	—	162
Lease liabilities	601	392	—	993
Debt to credit institutions	799	—	204,773	205,572
Derivatives	4,004	5,683	12,274	21,961
	38,202	6,075	217,047	261,324
2022				
Trade and other payables	8,822	—	—	8,822
Payables to Related parties	89	—	—	89
Lease liabilities	279	—	—	279
Debt to credit institutions	772	—	114,230	115,002
Derivatives	—	1,821	287	2,108
	9,962	1,821	114,517	126,300
2021				
Trade and other payables	9,703	—	—	9,703
Payables to Related parties	63	—	—	63
Lease liabilities	298	209	—	507
Debt to credit institutions	28,599	14,476	30,000	73,075
	38,663	14,685	30,000	83,348

The table above analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows excluding newbuild payments.

EUR '000	2023	2022	2021
Lease liabilities at 1 January (current and non-current lease)	279	507	792
Acquisition of subsidiaries	1,299	—	—
Exchange differences	(16)	—	—
Cash paid for lease obligations	(569)	(228)	(285)
Lease liabilities at 31 December (current and non-current lease)	993	279	507
Current	392	—	209
Non-current	601	279	298

Change in the debts to credit institutions during the year

EUR'000	2023	2022	2021
Debt to credit institutions at 1 January	(115,002)	(73,075)	(73,500)
Overdraft facility drawn	—	(16,067)	(8,998)
Loans repayment	115,000	65,000	10,000
Overdraft repayment	—	25,065	—
New loan	(211,934)	(115,000)	—
New loan interests	8,262	1,541	—
Write off of loan fees	(1,898)	(923)	—
Others	—	(1,543)	(577)
Debt to credit institutions at 31 December	(205,572)	(115,002)	(73,075)

EUR'000	Less than 1 year	Between 1 and 2 years	After 2 years	Total	Carrying amount
2023					
Derivative financial instruments					
Interest rate swaps with a positive fair value	—	—	—	—	—
Interest rate swaps with a negative fair value	798	(3,166)	(11,862)	(14,229)	(11,855)
Gross settled foreign currency contracts, pay leg (EUR)	—	(183,741)	—	(183,741)	—
Gross settled foreign currency contracts, receive leg (USD)	—	178,403	—	178,403	(5,338)
	798	(8,504)	(11,862)	(19,567)	(17,193)
2022					
Derivative financial instruments					
Interest rate swaps with a positive fair value	(305)	1,158	4,231	5,084	3,376
Interest rate swaps with a negative fair value	—	—	(370)	(370)	(287)
Gross settled foreign currency contracts, pay leg (EUR)	—	(183,741)	—	(183,741)	—
Gross settled foreign currency contracts, receive leg (USD)	—	181,921	—	181,921	(1,821)
	(305)	(662)	3,861	2,894	1,268

Capital management

The Company's objectives when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure.

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

In order to maintain or adjust the capital structure in the future, the Group may adjust the amount of dividends paid to shareholders, issue new shares and/or sell assets to reduce debt. Pursuant to the RCF, the Company is not permitted to pay any dividends or other distributions without DNB Bank ASA's written consent.

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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In measuring the fair value of unlisted derivative financial instruments and other financial instruments for which there is no active market, fair value is determined using generally accepted valuation techniques. Market-based parameters such as market-based yield curves and forward exchange prices are used for the valuation.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Financial instruments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as following accounting hierarchy:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. Valuation techniques applied are primarily based on marked-based inputs of the instruments. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The table below shows the fair value measurement hierarchy of the Group's assets and liabilities:

EUR '000	Level 1	Level 2	Level 3	Total
2023				
Through the consolidated statement of profit and loss				
Derivative assets	—	—	—	—
Total financial assets at fair value through the consolidated statement of profit and loss	—	—	—	—
Derivative liabilities	—	(403)	—	(403)
Total financial liabilities at fair value through the consolidated statement of profit and loss	—	(403)	—	(403)
Cash flow hedges:				
Derivative assets	—	338	—	338
Derivative liabilities	—	(17,937)	—	(17,937)
2022				
Through the consolidated statement of profit and loss				
Derivative assets	—	363	—	363
Total financial assets at fair value through the consolidated statement of profit and loss	—	363	—	363
Derivative liabilities	—	—	—	—
Total financial liabilities at fair value through the consolidated statement of profit and loss	—	—	—	—
Cash flow hedges:				
Derivative assets	—	3,013	—	3,013
Derivative liabilities	—	(2,108)	—	(2,108)

Note 25

Derivative Financial Instruments

Hedge accounting

The Group uses forward exchange contracts, including options (collars), and interest rate swap contracts to hedge currency risks and interest risk regarding highly probable future cash flows and designates them as cash flow hedges subject to meeting the criteria for application of cash flow hedging.

The hedging ratios are determined as the notional value of the instrument divided by the notional value of the hedge item. The Group seeks to establish hedge relationships with a hedging ratio of 1:1. Due to the nature of the hedge items risk, this will be possible by either designating a proportion of the hedge instrument or the hedge notional value being equal or lower of the hedge items notional value. The main score of ineffectiveness arises from the timing of the delivery of the vessels. The delivery of the vessels will expose the Group to several market risks, related to foreign currency risks and interest rate risk. The fair value adjustment of the derivatives is recognised in other comprehensive income until the hedged items are realised.

The table below shows the movement in the reserve for cash flow for hedging, listed by the hedged risk.

EUR'000	2023	2022
Fair Value change of Cash flow hedges		
Cumulative fair value change at 1 January	1,343	—
Fair value adjustment at year-end, net	(18,505)	905
Interest recycled at year-end, net	(776)	438
Time value adjustment at year-end, net	(3,621)	—
Cumulative fair value change at 31 December	(21,559)	1,343
The fair value of cash flow hedges at 31 December can be specified as follows:		
Interest rate risk hedging	(11,790)	3,163
Foreign currency risk hedging	(6,148)	(1,820)
Foreign currency risk hedging - time value	(3,621)	—
Cumulative fair value change at 31 December	(21,559)	1,343

Interest rate risk

In 2022 the Group entered into a Senior Secured Green EURIBOR based revolving credit facility (RCF) with a 0 bps floor which led the Group to be exposed to changes in the 3M EURIBOR rate with respect of their current funding. Further the group obtained an indicative term sheet for the financing of the P-class vessels acquired from COSCO SHIPPING Heavy Industry and planned to be delivered in the period of 2024 to 2025. The group intended to enter these loans as the main source of future funding and considered the risk of changes to EURIBOR based interest payments in 2022 and coming years.

On 5 October 2022, the Group entered into interest rate swap contracts with DNB which relate to the Debt Facility and future loans thereunder. The interest rate risk arising from the loans under the Debt Facility have been swapped from 3-month EURIBOR to a fixed rate until 5 October 2027. The average fixed rate of the swaps is 2.81% (2022: 2.82%). Such interest rate swap contracts have been replaced by new contracts in connection with the New Debt Facility.

In connection with the Business Combination, on 7 December 2023 the Group entered into the New Debt Facility, a new senior secured credit and guarantee facility of up to EUR 550 million. The New Debt Facility has similar terms and conditions as the Debt Facility.

Further, on 23 December 2023, the Group entered into a Sinosure-backed green term loan facility (EUR425 million). The Group entered these loans as the main source to finance the purchase of the P-Class newbuilds.

The Group entered into interest rate swap contracts with the Group's main bank and related these to the New Debt Facility and the future loans. The interest rate risk arising from the loans have been partially swapped from 3M EURIBOR to a fixed rate. The new credit facilities expand the exposure of the Group to changes in the 3M EURIBOR rate.

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The economic relationship is established as a match of critical terms between the hedge item and hedge instrument. The group has assessed the following terms when entered into the hedge relationship:

- Instalments on the facilities.
- Payment date of interest and instalment.
- Timing difference in the maturity of the hedge item and hedge instrument.

The expected causes of hedging ineffectiveness relate to:

- Changes to the expected date of delivery of the vessels.
- 3M EURIBOR rate falling below 0%.

The below table shows the profile of the nominal amount of the interest rate swaps and the fair values.

Notional amount EUR'000	Less than 1	Between 1	Between 2	Fair value EUR'000	
	year	and 2 years	and 5 years	Asset	Liability
2023					
Interest rate Swap – EURIBOR 3M	—	—	555,000	—	(11,790)
2022					
Interest rate Swap – EURIBOR 3M	—	—	469,375	3,451	(288)

More details can be found in Note 26 with regards of the current debt facilities of the Group related to the interest rate swaps.

EUR'000	2023	2022
Movements in the hedging reserve		
Beginning of year	3,163	—
Fair value adjustment for the year	(14,177)	2,725
Interest recycled for the year	(776)	438
End of year	(11,790)	3,163

Foreign currency risk hedging

In 2021, the Group entered into a binding contract for the construction of two P-class vessels from COSCO. The contracts are partly settled in USD. USD payments will be due in 2024 and 2025.

The currency exposure arising from the contracts has been swapped to EUR at the Company's banks at an average USD:EUR rate of 0.9187 for both 2023 and 2022.

In 2022, the Company signed additional contracts with COSCO SHIPPING Heavy Industry to build a total of two new A-class foundation installation vessel. The Company is exposed to change in foreign exchange currency risk on their contractual obligation to acquire the A-class vessels due to the last instalment being in USD. The last instalment shall be payable upon delivery of the vessel.

The exposure to the variability in the future currency rate has been hedged by entering into six zero cost collar contracts with DNB, securing an average USD:EUR rate of between 0.8695 and 0.9466 for USD 300 million of notional amount, bringing the total coverage to USD 500 million. As of 31 December 2023, the total coverage effectively mitigates around 50% of its foreign exchange risk for the upcoming USD instalments for the new P- and A-class vessels contracts.

The economic relationship is established as a match of critical terms between the hedge item and hedge instrument. The Group has assessed the following terms when entered the hedge relationship:

- Payment date of instalment in foreign currency.
- Maturity of the hedged item and hedged instruments (forward contract and option collars).

The expected causes of hedging ineffectiveness relate to changes to the expected date of delivery of the vessel. The below table shows the profile of the nominal amount of the foreign currency forward contracts and option collars and the fair values.

Notional amount USD'000	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Fair value EUR'000	
				Asset	Liability
2023					
FX forward contracts	150,000	50,000	—	—	(5,338)
Option collars	—	250,000	50,000	—	(4,431)
2022					
FX forward contracts	—	200,000	—	—	(1,820)
Option collars	—	—	—	—	—
EUR'000				2023	2022
Movements in the hedging reserve					
Beginning of year				(1,820)	—
Fair value adjustment for the year - FX forward contracts				(3,518)	(1,820)
Fair value adjustment for the year - Option collars				(810)	—
Time value adjustment for the year				(3,621)	—
End of year				(9,769)	(1,820)

Note 26

Financial Liabilities: Interest-bearing Loans and Borrowings

New Debt Facility – replacing the RCF

On 29 June 2022 the Company entered into a Senior Secured Green Revolving Credit Facility (“RCF”) of a 3-year term loan of EUR 185 million with DNB Bank ASA.

The RCF consists of (i) a three-year non-amortizing term loan of EUR 150 million, in addition to voluntary prepayments in whole or any part of the loan, at any time, the loan will be repayable in a balloon payment of EUR 150 million, and (ii) a guarantee facility of up to EUR 35 million.

On 4 July 2022 the Company utilised EUR 115 million from the total EUR 150 million available from the RCF. With these funds the Group repaid in full the outstanding amounts, related to the term loan EUR 55 million and overdraft facility EUR 25 million from DNB Bank ASA and SpareBank 1 SR-Bank signed on 4 November 2020. At that time, the new RCF added about EUR 70 million in liquidity.

The RCF bears interest at 3-month or 6-month EURIBOR + the Applicable Margin, and subject to a green loan margin discount as long as the Company is in compliance with certain green asset criteria such as earmarked investments in green assets. The Group is currently in compliance with this green criteria and are expected to remain compliant for the duration of the facility. The full repayment of a senior debt facility generated a finance cost for the write-off of borrowing costs of approximately EUR 810,000 in July 2022. Due to a confidentiality agreement, the applicable margin cannot be disclosed.

In June 2023, the Debt Facility was amended to increase the guarantee facility to EUR60 million and to increase the committed revolving credit facility to EUR 250 million, resulting in an increase of the aggregate Debt Facility to EUR310 million. The above was refinanced and the Group entered into the new RCF, as explained below.

In connection with the Business Combination, the Company on 7 December 2023 entered into a new senior secured credit and guarantee facilities of up to EUR 550 million providing for (i) a revolving credit facility of up to EUR 250 million (5 year tenor), (ii) a revolving credit facility of up to EUR 100 million (18 months tenor), (iii) a term loan of up to EUR 100 million (8.5 year tenor) guaranteed by The Danish Export and Investment Fund of Denmark (EIFO) and (iv) an uncommitted guarantee facility of up to EUR 100 million (the “New Debt Facility”). The New Debt Facility has similar terms and conditions as the existing Debt Facility. The change of control provisions are similar to those included in the P-Class Facility (as described below).

The Company has utilised EUR 162 million from the total EUR 450 million available from the RCF. With these funds the Group repaid the outstanding amounts of Eneti’s previous Credit Facility, which amounted to USD 59.4 million (of which Eneti repaid USD 12.6 million in October 2023 from the proceeds from the sale of Seajacks Hydra, Seajacks Leviathan and the Seajacks Kraken). In addition, the Group has repaid the amounts under its own Debt Facility amounting to EUR 115 million.

The full repayment of the senior debt facility generated a finance cost for the write off of borrowing costs of approximately EUR 1.8 million thousand in 2023.

By the end of the reporting period, EUR 288 million remains unutilised from the RCF.

Holdco Facility (EUR 50 million)

On 15 November 2023, the Group entered into an unsecured Holdco Facility in an aggregate amount of EUR 50 million (tenor of five years) with HSBC. The financing includes a non-committed accordion option of up to EUR 50 million. The purpose of the Holdco Facility is, among others, partial funding of the wind installation activities of the Group and general corporate purposes. The facility includes customary financial and other covenants.

M-Class Facility (USD 436 million)

In connection with the Business Combination, the Group acquired a senior secured green term loan facility, which Eneti entered in November 2023, of up to USD 436 million (the “New Credit Facility”) with a group of international banks and export credit agencies co-arranged and co-underwritten by Crédit Agricole Corporate and Investment Bank and Société Générale, and with Société Générale as Green Loan Coordinator. The New Credit Facility finances approximately 65% of the purchase cost of the M-Class newbuilding, with the remaining 35% to be funded either by obtaining additional bank financing or through available operational cash reserves. The maturity date of the New Credit Facility in relation to each vessel is 12 years from the delivery date of each vessel. The New Credit Facility bears interest at a blended margin of SOFR plus 2.36% per annum (exclusive of premiums payable to K-SURE and Eksfin). However, the terms of the New Credit Facility provided that completion of the Business Combination would not trigger a change of control provision with regard to cancellation and prepayment of the New Credit Facility.

P-Class Facility (USD 425 million)

Further, Cadeler A/S and two of its subsidiaries, WIND N1064 Limited and WIND N1063 Limited, entered into a Sinoback-backed green term loan facility of up to EUR 425 million (12 year tenor) (the “P-Class Facility”) in December 2023 to finance the purchase of P-Class newbuilds. The funds under the P-Class Facility have been borrowed by WIND N1064 Limited and WIND N1063 Limited (the future owners of the P-Class newbuilds) and may not be reborrowed once repaid.

Further financing will be required from 2025 in connection with milestone payments for the A-Class New Builds. The Cadeler Group’s management expects to require approximately EUR 450 million of additional funding for the A-Class New Builds. Cadeler currently has a letter of intent in place for the order of one additional A-Class New Build. There can be no guarantee that the financing of such new builds and any future upgrades can be obtained on attractive terms or at all.

Covenants

The Group is in compliance with all covenants in the New Debt Facility (RCF):

- Minimum Free Liquidity: Freely available cash and cash equivalents at of i) the higher of EUR 35,000,000 or 5% of gross interest bearing debt, if the ratio of forward-looking contract cash flow to net interest bearing debt are above 50% or ii) EUR 50,000,000 or an amount equal to 7.5% of the gross interest bearing debt at all other times.
- Equity Ratio: The ratio of book equity to total assets at all times to be minimum 35%.
- Working capital: the working capital shall be higher than zero (0).

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- Fair market value of vessels: The fair market value of the vessels shall at all times cover at least 50% of the gross interest bearing debt following the redelivery of the O-Class vessels.
- Contracted cash flows: If at any reported quarter the aggregated loans exceed 80% the forward-looking expected cash revenues from legally binding contracts, the Contracted Cash Flows, the Borrower shall prepay the exceeding part of the Loans within five (5) Business Days.
- Utilisation of RCF's Facility under New Debt Facility must be above the outstanding on ECA Term Loan tranche.

Further, the Group is in compliance with some additional covenants specified in the Holdco Facility:

- Fair market value of vessels: The fair market value of the vessels shall at all times cover at least 40% of the gross interest bearing debt.
- Debt service coverage ratio: Cash flow available for debt service (including available liquidity covering cash, cash equivalent and undrawn New Debt Facility) at the Parent Company must be above Debt service cash flow related to the Holdco Facility (2:1).

As of the reported date, the P-Class and M-Class facilities remain unutilised. Given their non-utilisation, no assessment of compliance with associated covenants has been necessary up to this point. These covenants, if applicable, will require assessment upon utilisation of the facilities and contain customary financial and other covenants, including certain change of control provisions, similar to those disclosed for the utilised facilities.

Additionally, the Group is in compliance with below requirements:

Restriction on dividends: the Company is not permitted to pay any dividends or other distributions without DNB Bank ASA's written consent. For the New Debt Facility, dividends and distributions should not exceed 50% of the consolidated net profit for the respective year. Further, in the Holdco Facility, the Company is not allowed to any distributions before the delivery of the P-Class, A-Class and M-Class.

Change of control: If any person or group of persons (other than Swire Pacific or the BW Group) acting in concert directly or indirectly gains control of 25% or more of the voting and/or ordinary shares of the Borrower, the Agent (acting on instructions from the majority lenders) may by written notice of sixty (60) days cancel the total commitments and demand prepayment of all amounts outstanding under the facilities.

As of 31 December 2023			Committed (EUR millions) ¹		Related derivatives contracts	
	Interest rate	Maturity	Utilised	Unused	Average IRS rate	IRS nominal (EUR millions)
Secured						
New Debt Facility (RCF)	3 months EURIBOR + 2.4%	2031	162	288	2.7%	150
New Debt Facility - Guarantee	0.80% - 1.20%	2026	45	55		
Total New Debt Facility			207	343		
P-Class Facility	3 months EURIBOR + (0.90% - 2.4%)	2035		425	3.0%	203
M-Class Facility (USD 436 million)	SOFR + 2.4%	2035		394		
Unsecured						
HoldCo Facility	3 months EURIBOR + 4%	2028	50	—		
Total (excluding Guarantee facility)			212	1,107		

¹ As of 31 December 2022, Debt Facility (RCF) amounted to EUR 150 million of which EUR 115 million were utilised.

Note 27

Related Party Transactions

Group's Related Party Transactions

Members of the Cadeler Board, Cadeler's executive management and Cadeler's major shareholder, BW Altor Pte. Ltd. ("BW Altor"), are considered related parties as they are either members of the Cadeler Board or executive management of Cadeler or exercise significant influence over Cadeler and the Cadeler Group's operations. For the financial years 2022 and 2021, Swire Pacific Limited ("Swire Pacific") was considered a related party given its ownership of more than 5% in Cadeler, but for accounting purposes, with effect from 1 January 2023, Swire Pacific is no longer considered a related party under IFRS due to its reduced ownership percentage and the fact that it is no longer represented on the Cadeler Board. In addition, Scorpio Holdings Limited ("Scorpio Holdings") is considered a related party given its current ownership of more than 5% in Cadeler. Related parties also include such persons' close family members, undertakings in which such persons have significant interests as well as other affiliates.

As of December 2023, BW Altor owns 19.57% of the Cadeler shares, Scorpio Holdings Limited owns 12.09% of the Cadeler shares and Swire Pacific owns 8.51% of the Cadeler Shares. For the financial years ended 31 December 2023, 2022 and 2021, there were no material transactions between Cadeler or any company of the Cadeler Group and BW Altor, Scorpio Holdings and/or Swire Pacific (or their respective affiliates) other than the transactions described below.

Share lending agreement with BW Altor

In October 2022, Cadeler entered into a share lending agreement with BW Altor as the share lender for the purpose of facilitating delivery versus payment settlement of the Cadeler's shares to be delivered to investors in connection with a private placement that took place in October 2022. As compensation for such share lending, BW Altor received a customary fee paid by Cadeler until the Cadeler Shares were redelivered and admitted to trading on the OSE. The amount paid to BW Altor pursuant to such share lending agreement amounted to EUR 85,000.

Guarantees provided by BW Group

BW Group has provided COSCO with four guarantees in respect of the sums payable by Cadeler in accordance with the contract for the construction of certain newbuilt P-class and A-Class WTIVs in 2021, 2022 and 2023. Under this guarantee arrangement, certain fees are payable by the Group to BW Group until the guarantees are discharged in full.

Bunker supply from Hafnia Pools (affiliate of BW Group)

In April 2022, Hafnia Pools Pte Ltd, which is an affiliate of BW Group, and Cadeler entered into a service level agreement pursuant to which Hafnia Pools Pte Ltd agreed to supply marine bunker oil and related products to Cadeler's vessels in the port of Rotterdam and other ports in the Rotterdam area at market rates. The agreement includes standard terms and conditions, including related to late payments, termination, a cap on the liability of Hafnia Pools Pte Ltd and indemnification for third-party claims raised by suppliers of the fuel against Hafnia Pools Pte Ltd.

Performance guarantees issued by Swire Offshore Holdings Group

During the course of 2020, Swire Pacific Offshore Holdings Limited, through its subsidiary Swire Pacific Offshore Operations Pte. Ltd., issued four performance guarantees and four bank guarantees in favour of the Cadeler Group's customers as security for performance of the Cadeler Group's obligations under its customers' contracts. These guarantees covered a period up until April 2022. Following the sale of Swire Pacific Offshore Holdings Limited by Swire Pacific in April 2022, Swire Pacific Offshore Holdings Limited is no longer considered to be a related party as it is no longer controlled by a significant shareholder of Cadeler, and the Cadeler Group put new performance guarantees in place.

In connection with the guarantees provided by Swire Pacific Offshore Holdings Limited, Cadeler entered into a deed of recourse with Swire Pacific Offshore Operations Pte Ltd., which has since terminated, pursuant to which:

- Cadeler had an obligation to indemnify Swire Pacific Offshore Operations Pte Ltd. for any liabilities incurred by Swire Pacific Offshore Operations Pte Ltd. in performing its obligations under the performance guarantees or in respect of any payments made under the bank guarantees; and
- Cadeler had an obligation to pay Swire Pacific Offshore Operations Pte Ltd. an arm's length fee for each guarantee issued and procured respectively by Swire Pacific Offshore Operations Pte Ltd. in favour of Cadeler's customers.

Crewing agreement

In 2014, Cadeler entered into a crewing agreement with Swire Pacific Ship Management LTD(Singapore branch) ("SPSM"), which at that time was a related company to Swire Pacific Offshore Operations Pte Ltd, Cadeler's sole shareholder at that time. Pursuant to this agreement, SPSM agreed to provide a crew for Cadeler's two vessels in accordance with the standard terms set out in a BIMCO crewman agreement. The crew management fee was 2% of the monthly manning costs, and severance costs amounted to USD 20,000.

This agreement was subsequently terminated in November 2021 when Cadeler decided to employ its own crew directly. As part of the termination agreement, the parties agreed that the termination is without prejudice to any claims, liabilities or obligations that may have accrued prior to the date of termination. The expenses set out in the table below with respect to this crewing agreement for the financial year ended 31 December 2021 related to the period prior to the effective date of such termination.

Transitional Service Agreement entered into in connection with Cadeler's listing on the OSE

In October 2020, Cadeler entered into a transitional service agreement with Swire Pacific Offshore Operations Pte Ltd regarding services to be rendered to Cadeler during a transitional period following the initial public offering and admission to trading of the Cadeler shares on the OSE. Such services included, inter alia, assistance with financial reporting, tax, insurance, internal audit, IT, HR, procurement, technical and HSEQ support and services. The term of the agreement was limited to one year and could be terminated by either party at any time with three months' prior written notice. The agreement terminated in accordance with its terms in October 2021.

Training courses provided by BW Maritime

BW Maritime has provided training courses for Cadeler's onshore staff and traveling costs reimbursements for board members

Administrative support provided by Scorpio Services Holding

The Group, due to the business combination with Eneti, holds an agreement with Scorpio Services Holding ("SSH") for the provision of administrative staff, office space and accounting, legal compliance, financial and information technology services for which it is due to reimburse to SSH the direct and indirect expenses incurred while providing such services.

Ultramax and Kamsarmax pools

Through the business combination the Company acquired receivables positions from Eneti transactions to Scorpio Group related parties for commercial management services. These services involved securing employment for Eneti's drybulk vessels in the spot market or on time charters. Please refer to the table under Scorpio Ultramax Pool and the Scorpio Kamsarmax Pool for details. The pools are owned by Scorpio Holdings which is considered a related party.

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The following significant transactions took place between the Company and related parties within the BW Group and Swire Pacific Offshore Holdings Group at terms agreed between the parties:

EUR'000	2023	2022	2021
Sales and purchases of goods and services			
Costs related to guarantees fees to BW Group Limited	(7,576)	(5,307)	(1,853)
Costs related to bunker supply to Hafnia Pools Pte Ltd (Member of BW Group)	(1,597)	(2,537)	—
Cost related to training courses to BW Maritime Pte. Ltd	(26)	—	—
Cost related to administrative expenses to Scorpio Services Holding	(17)	—	—
Cost related to share lending fees to BW Altor Pte. Ltd.	—	(85)	—
Cost related to travel expenses for board meetings to BW Maritime Pte. Ltd	—	(3)	—
Costs related to performance guarantees to Swire Pacific Offshore Holdings Group	—	(157)	(684)
Crew hire expenses paid to the Swire Pacific Offshore Holdings Group	—	(115)	(11,461)
Receivables from Scorpio Kamsarmax Pools at reported period	136	—	—
Receivables from Ultramax Pools at reported period	456	—	—
Payables to Hafnia Pools Pte Ltd at reported period	—	1	—
Management fees paid to the Swire Pacific Offshore Holdings Group	—	—	(197)
Payables to Swire Pacific Offshore Holdings Group at reported period	—	—	63
EUR'000	2023	2022	2021
Payables to Scorpio Commercial Management at reported period	4	—	—
Payables to Scorpio Service Management at reported period	6	—	—
Payables to Scorpio Services Holding at reported period	141	—	—
Payables to Scorpio UK at reported period	1	—	—
Payables to BW Altor Pte. Ltd. at reported period	—	85	—
Payables to BW Maritime Pte. Ltd at reported period	10	3	—

Related party transactions over the reported period are primarily linked to guarantee fees issued by the BW Group Limited, bunker supply by Hafnia Pools (member of the BW Group), costs related to training expenses by the BW Maritime and administrative expenses to Scorpio Services Holding.

In addition, Cadeler has not had significant transactions with the members of the Cadeler Board and the executive management apart from remuneration and expenses. Cadeler has not provided or granted any loans or guarantees to its directors or executive management.

For information on remuneration paid to members of the Cadeler Board and executive management, refer to Note 9.

Note 28

Group Information

The consolidated financial statements of the Group include the following subsidiaries, which are fully owned by the Parent Company:

Entities	Country
<i>Vessel owning entities</i>	
Wind Orca Ltd	Cyprus
Wind Osprey Ltd	Cyprus
Wind N1063 Ltd	Cyprus
Wind N1064 Ltd	Cyprus
Seajacks 1 Ltd	UK
Seajacks 4 Ltd	UK
Seajacks 5 Ltd	UK
Seajacks 3 Japan LLC	Japan
<i>Trading and Operations</i>	
Seajacks UK Ltd	UK
Seajacks UK Ltd Taiwan Branch	Taiwan

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Entities	Country
Seajacks US Inc.	USA
Seajacks Merman Marine Ltd	Bermuda
Seajacks Crewing Services Ltd	UK
Seajacks Japan LLC	Japan
<i>Investment holding entities</i>	
Wind MI Ltd	Marshall Islands
Eneti (Bermuda) Ltd	Bermuda
Atlantis Investorco Ltd	UK
Investment holding entities (continuation)	
Atlantis Equityco Ltd	UK
Atlantis Midco Ltd	UK
Seajacks International Ltd	UK
<i>Dormant entities</i>	
Seajacks 2 Ltd	UK
Seajacks 3 Ltd	UK
Scorpio SALT LLC	USA
Bulk Run-Off Company Ltd	Marshall Islands
Crawford Path LLC	Delaware
Windpower Alpha Ltd	Marshall Islands
Windpower Bravo Ltd	Marshall Islands
Seajacks 7 Limited	UK
Seajacks 8 Limited	UK
SBI Achilles Shipping Company Ltd	Marshall Islands
SBI Antares Shipping Company Ltd	Marshall Islands
SBI Apollo Shipping Company Ltd	Marshall Islands
SBI Aries Shipping Company Ltd	Marshall Islands
SBI Athena Shipping Company Ltd	Marshall Islands
SBI Bolero Shipping Company Ltd	Marshall Islands
SBI Bravo Shipping Company Ltd	Marshall Islands
SBI Capoeira Shipping Company Ltd	Marshall Islands
SBI Carioca Shipping Company Ltd	Marshall Islands
SBI Chartering and Trading Ltd	Marshall Islands
SBI Conga Shipping Company Ltd	Marshall Islands
SBI Cougar Shipping Company Ltd	Marshall Islands
SBI Cronos Shipping Company Ltd	Marshall Islands
SBI Echo Shipping Company Ltd	Marshall Islands
SBI Gemini Shipping Company Ltd	Marshall Islands
SBI Hera Shipping Company Ltd	Marshall Islands
SBI Hercules Shipping Company Ltd	Marshall Islands
SBI Hermes Shipping Company Ltd	Marshall Islands
SBI Hydra Shipping Company Ltd	Marshall Islands
SBI Hyperion Shipping Company Ltd	Marshall Islands
SBI Jaguar Shipping Company Ltd	Marshall Islands
SBI Jive Shipping Company Ltd	Marshall Islands
SBI Lambada Shipping Company Ltd	Marshall Islands
SBI Leo Shipping Company Ltd	Marshall Islands
SBI Libra Shipping Company Ltd	Marshall Islands
SBI Lynx Shipping Company Ltd	Marshall Islands
SBI Lyra Shipping Company Ltd	Marshall Islands
SBI Macarena Shipping Company Ltd	Marshall Islands
SBI Maia Shipping Company Ltd	Marshall Islands
SBI Mazurka Shipping Company Ltd	Marshall Islands

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Entities	Country
SBI Orion Shipping Company Ltd	Marshall Islands
SBI Parapara Shipping Company Ltd	Marshall Islands
SBI Pegasus Shipping Company Ltd	Marshall Islands
SBI Perseus Shipping Company Ltd	Marshall Islands
SBI Phoebe Shipping Company Ltd	Marshall Islands
SBI Phoenix Shipping Company Ltd	Marshall Islands
SBI Pisces Shipping Company Ltd	Marshall Islands
SBI Poseidon Shipping Company Ltd	Marshall Islands
SBI Reggae Shipping Company Ltd	Marshall Islands
SBI Rock Shipping Company Ltd	Marshall Islands
SBI Rumba Shipping Company Ltd	Marshall Islands
SBI Samba Shipping Company Ltd	Marshall Islands
SBI Samson Shipping Company Ltd	Marshall Islands
SBI Sousta Shipping Company Ltd	Marshall Islands
SBI Subaru Shipping Company Ltd	Marshall Islands
SBI Swing Shipping Company Ltd	Marshall Islands
SBI Tango Shipping Company Ltd	Marshall Islands
SBI Taurus Shipping Company Ltd	Marshall Islands
SBI Tethys Shipping Company Ltd	Marshall Islands
SBI Thalia Shipping Company Ltd	Marshall Islands
SBI Ursa Shipping Company Ltd	Marshall Islands
SBI Virgo Shipping Company Ltd	Marshall Islands
SBI Zeus Shipping Company Ltd	Marshall Islands
SBI Zumba Shipping Company Ltd	Marshall Islands



Note 29

Events After Reporting Period

Increased funding commitment

On 7 February 2024, the Group has secured additional capital, increasing the Holdco Facility from EUR50 million to EUR 80 million. The purpose of the Holdco Facility is, among others, partial funding of the wind installation activities of the Group and general corporate purposes.

Private placement

The Company conducted a successful private placement, which was completed on 15 February 2024, resulting in the issuance of 9.5 million shares at a price of NOK 44.50 per share. Overall, the Company raised approximately EUR 154 million (USD 166 million) before transaction costs. The proceeds from the private placement will fund two main objectives. Firstly, they will fully finance the equity portion of Cadeler's planned third A-Class Wind Foundation Installation Vessel newbuild, accounting for approximately 35% of its total expected vessel cost. Secondly, the funds will be allocated towards acquiring mission equipment and building working capital. This will enable Cadeler to capitalise on selected near-term commercial opportunities, including utilising turbine installation vessels for T&I foundation scopes, accelerating the realisation of commercial synergies, and seizing other opportunities resulting from supply chain bottlenecks and project delays in the coming years.

Increased funding utilisation

On 22 March 2024, the Group utilised EUR50 million of the EUR 100 million term loan available from the New Debt Facility, as the Wind Orca main crane upgrade nears completion. Additionally, the Group is in the process of requesting the utilisation of the remaining EUR 50 million. This utilisation is related to the Wind Osprey main crane upgrade, also in its final stages.

Note 30

Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors and Executive Management of Cadeler A/S on 26 March 2024 and will be recommended for approval by the shareholders of the Company at the annual general meeting to be held on 23 April 2024.

Vedtægter for Cadeler A/S**CVR nr. 31180503****1 Navn og formål**

- 1.1 Selskabets navn er Cadeler A/S.
Selskabets binavne er Blue Ocean Ships A/S og Swire Blue Ocean A/S.
- 1.2 Selskabets formål er at drive skibe, rederier og udvikle skibsprojekter.

2 Kapital og aktier

- 2.1 Selskabets kapital udgør 350.929.868 kr. fordelt i aktier á 1 kr. eller multipla deraf.
- 2.2 Aktiekapitalen er fuldt indbetalt.
- 2.3 Selskabets aktier skal lyde på navn og skal noteres på navn i selskabets ejerbog.
- 2.4 Ingen aktier skal have særlige rettigheder.
- 2.5 Ingen aktionær skal være forpligtet til at lade sine aktier indløse.
- 2.6 Aktierne er omsætningspapirer. Der gælder ingen indskrænkninger i aktiernes omsættelighed.
- 2.7 Selskabets ejerbog føres igennem den norske Verdipapirsentralen af DNB Bank ASA, Registrars department ("DNB"), registreringsnummer 984 851 006, Dronning Eufemias gate 30, 0191 Oslo, Norge, i henhold til aftale mellem selskabet og DNB vedrørende føring af ejerbog.
- 2.8 Ejerbogen er ikke tilgængelig for aktionærerne bortset fra, at navnene på de 20 største aktionærer skal være tilgængelige for offentligheden med forbehold for begrænsninger i henhold til den enhver tid gældende persondataret og med forbehold for forudgående notifikation til selskabet.

Articles of Association of Cadeler A/S**Company reg. no. 31180503****Name and objects**

The name of the Company is Cadeler A/S.

The secondary names of the Company are Blue Ocean Ships A/S and Swire Blue Ocean A/S.

The objects of the Company are to carry on business in the area of shipping and to develop ship projects.

Share capital and shares

The Company's share capital is DKK 350,929,868 divided into shares of DKK 1 or multiples hereof.

The share capital has been paid up in full.

The shares of the Company shall be issued in the name of the holder and shall be recorded in the name of the holder in the Company's register of shareholders.

No shares shall confer special rights.

No shareholder shall be obliged to have his shares redeemed.

The shares are negotiable instruments. No restrictions shall apply to the negotiability of the shares.

The register of shareholders is kept through the Norwegian Central Securities Depository ("Verdipapirsentralen"), and maintained on behalf of the company by DNB Bank ASA, Registrars department ("DNB"), company registration number 984 851 006, Dronning Eufemias gate 30, 0191 Oslo, Norway, pursuant to a registrar agreement entered into between the Company and DNB.

The register of shareholders shall not be available for inspection by the shareholders except that the identity of the 20 largest shareholders shall be available to the public subject to any restrictions under applicable personal data regulations in force at a given time and subject to the prior notification to the Company.

Informationer i selskabets ejerbog skal gøres tilgængelig for enhver offentlig myndighed i Danmark og Norge, der anmoder herom.

- 2.9 Selskabet har ikke udstedt aktiebrev. Aktierne er registreret hos og udstedt i dematerialiseret form gennem den norske Verdipapirsentralen, drevet af Verdipapirsentralen ASA, registreringsnummer 985 140 421. Udbytte udbetales gennem den norske Verdipapirsentralen i henhold til aftale mellem selskabet og DNB vedrørende føring af ejerbog. Rettigheder vedrørende aktierne skal anmeldes til den norske Verdipapirsentralen efter de herom gældende regler.

3 Forhøjelse af kapital

- 3.1 Bestyrelsen er i perioden indtil 24. april 2026 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt kr. 39.520.000. Forhøjelsen skal ske til minimum markedskurs og kan ske ved kontant betaling, konvertering af gæld eller ved apportindskud.
- 3.1.1 Bestyrelsen har den 14. februar 2024 besluttet fuldt at udnytte bemyndigelsen i punkt 3.1 til at forhøje selskabets aktiekapital med nominelt 39.520.000 kr. ved kontant betaling uden fortegningsret for selskabets eksisterende aktionærer.
- 3.2 Bestyrelsen er i perioden indtil den 24. april 2026 bemyndiget til med fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt kr. 39.520.000. Forhøjelsen kan ske ved kontant betaling og tegningskursen fastsættes af bestyrelsen og kan være lavere end markedskursen.
- 3.3 Bestyrelsen er i perioden indtil den 30. september 2025 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt kr. 5.000.000 i forbindelse med udstedelse af nye aktier til medlemmer bestyrelsen, direktionen og/eller medarbejdere i selskabet og/eller i dets datterselskaber. De nye aktier udstedes mod kontant betaling til en

Information included in the register of shareholders shall be made available to any public authority in Denmark and Norway who have so requested.

The Company has not issued share certificates. The shares are registered with and issued in dematerialized book-entry form through the Norwegian Central Securities Depository ("Verdipapirsentralen"), operated by Verdipapirsentralen ASA, company registration number 985 140 421. Dividend is paid out through Verdipapirsentralen, pursuant to a registrar agreement entered into between the company and DNB. Rights concerning the shares shall be notified to Verdipapirsentralen in accordance with applicable rules.

Increase of share capital

The Board is, until 24 April 2026, authorised to increase the share capital of the Company in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 39,520,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash.

On 14 February 2024, the Board of Directors decided to exercise the authorisation set out in Article 3.1 fully by increasing the Company's share capital with nominally DKK 39,520,000 through cash payment without pre-emption rights for the Company's existing shareholders.

The Board is, until 24 April 2026, authorised to increase the share capital of the Company in one or more issues of new shares with pre-emption rights for the Company's existing shareholders by up to a nominal amount up to DKK 39,520,000. The capital increase shall take place by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.

The Board is, until 30 September 2025, authorised to increase the share capital of the Company in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 5,000,000 in connection with issue of new shares to members of the Board, Executive Management and/or employees of the Company and/or of the Company's subsidiaries. The capital increase shall be effected by cash payment at a

tegningskurs, der fastsættes af bestyrelsen, og som kan være lavere end markedskursen.

3.4 Bestyrelsen er i perioden indtil 31. december 2024 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt kr. 135.000.000. Forhøjelsen skal ske til minimum markedskurs og kan ske ved indskud af aktier i Eneti Inc.

3.4.1 Bestyrelsen har den 14. juli 2023 besluttet delvist at udnytte bemyndigelsen i punkt 3.4 ved at forhøje selskabets aktiekapital med nominelt 113.809.868 kr. ved apportindskud uden fortegningsret for selskabets eksisterende aktionærer, således at den resterende bemyndigelse til at forhøje aktiekapitalen i punkt 3.4 i alt udgør nominelt 21.190.132 kr.

3.5 For nyudstedte aktier i henhold til punkt 3.1, 3.2, 3.3 og 3.4 skal i øvrigt gælde, at de nye aktier skal være fuldt indbetalte, lyde på navn og noteres på navn i selskabets ejerbog, samt at de nye aktier er omsætningspapirer og har i øvrigt i enhver henseende samme rettigheder som de eksisterende aktier. Bestyrelsen bemyndiges til at fastsætte de nærmere vilkår for kapitalforhøjelser i henhold til ovenstående bemyndigelser og til at foretage de ændringer i selskabets vedtægter, der måtte være nødvendige som følge af bestyrelsens udnyttelse af de nævnte bemyndigelser.

3.6 Forhøjelser af selskabets aktiekapital, som bestyrelsen er bemyndiget til at foretage under vedtægternes punkt 3.1 og 3.2, må ikke samlet overstige nominelt kr. 39.520.000.

4 Generalforsamling, afholdelsessted og indkaldelse

4.1 Selskabets generalforsamling afholdes i Region Hovedstaden.

4.2 Bestyrelsen kan, hvis det vurderes hensigtsmæssigt og relevant, beslutte at gennemføre generalforsamlingen elektronisk uden mulighed for fysisk fremmøde (fuldstændig elektronisk generalforsamling).

En beslutning om afholdelse af en fuldstændig elektronisk generalforsamling forudsætter, at generalforsamlingen kan afvikles på betryggende

subscription price to be determined by the Board, which may be below market price.

The Board is, until 31 December 2024 authorised to increase the share capital of the Company in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 135,000,000. The capital increase shall take place at or above market price and may be effected by contribution of shares in Eneti Inc.

On 14 July 2023, the Board of Directors decided to exercise the authorisation set out in Article 3.4 partially by increasing the Company's share capital with nominally DKK 113,809,868 through contribution in kind without pre-emptive rights for the Company's existing shareholders, and accordingly the remaining authorisation to increase the share capital set out in Article 3.4 totals a nominal amount of DKK 21,190,132.

New shares issued pursuant to Articles 3.1, 3.2, 3.3 and 3.4 shall be paid in full, shall be issued in the name of the holder, shall be recorded in the name of the holder in the Company's register of shareholders, shall be negotiable instruments and shall in every respect carry the same rights as the existing shares. The Board is authorised to lay down the terms and conditions for capital increases pursuant to the above authorisations and to make any such amendments to the Company's Articles of Association as may be required as a result of the Board's exercise of said authorisations.

The capital increases that the Board of Directors are authorised to carry out pursuant to Articles 3.1 and 3.2 may not exceed a nominal amount of DKK 39,520,000.

General meeting, venue and notice

General Meetings of the Company shall be held in the Capital Region of Denmark.

The Board may, if deemed appropriate and relevant, resolve to conduct the General Meeting electronically without the possibility of physical attendance (a completely electronic General Meeting).

A resolution to conduct a completely electronic General Meeting requires that the General Meeting can be conducted in a proper manner ensuring that shareholders will be able to participate, express their

vis, således at aktionærer kan deltage i, ytre sig samt stemme på generalforsamlingen via elektroniske midler.

Nærmere oplysninger vil kunne findes på selskabets hjemmeside og i indkaldelserne til de pågældende generalforsamlinger, ligesom skriftlig meddelelse vil blive sendt til alle noterede aktionærer, som har fremsat begæring herom.

- 4.3 Den ordinære generalforsamling afholdes hvert år i så god tid, at den reviderede og godkendte årsrapport kan indsendes til Erhvervsstyrelsen, så den er modtaget i styrelsen inden udløbet af fristen i årsregnskabsloven, som er fire måneder efter regnskabsårets afslutning.
- 4.4 Indkaldelse til generalforsamling foretages af bestyrelsen tidligst fem uger og senest tre uger før generalforsamlingen. Indkaldelsen offentliggøres på selskabets hjemmeside. Indkaldelse sendes endvidere til alle aktionærer noteret i ejerbogen, som har fremsat begæring herom.
- 4.5 Selskabet skal senest otte uger før dagen for den påtænkte afholdelse af den ordinære generalforsamling offentliggøre datoen for afholdelse af generalforsamlingen samt fristen for aktionærers fremsættelse af forslag til bestemte emners optagelse på dagsordenen.
- 4.6 Ekstraordinær generalforsamling afholdes, når bestyrelsen, revisor eller aktionærer, der ejer mindst 5% af aktiekapitalen, har forlangt det. I sidstnævnte tilfælde må krav om indkaldelse rejses skriftligt over for bestyrelsen med angivelse af de emner, som ønskes forelagt generalforsamlingen. Ekstraordinær generalforsamling skal indkaldes senest to uger efter, at det er forlangt.
- 4.7 I en periode på mindst tre uger før enhver generalforsamling, inklusive datoen for generalforsamlingens afholdelse, gøres følgende oplysninger tilgængelige på selskabets hjemmeside:
 - a. Indkaldelsen til generalforsamlingen

opinions and vote at the General Meeting by electronic means.

Further information will be available on the Company's website and in the relevant notices of the General Meetings, and written notice will be sent to all registered shareholders who have so requested.

The Annual General Meeting shall be held every year in due time for the audited and adopted annual report to be sent to and received by the Danish Business Authority within the time limit mentioned in the Danish Financial Statements Act, which is four months after the end of the financial year.

A General Meeting shall be called by the Board with not more than five weeks' notice and not less than three weeks' notice. The notice shall be published on the Company's website. Furthermore, a notice of the General Meeting shall be sent to all shareholders recorded in the Company's register of shareholders who have so requested.

The Company shall no later than eight weeks before the contemplated date of the Annual General Meeting publish the date of the General Meeting and the deadline for submitting requests for specific proposals to be included on the agenda.

An Extraordinary General Meeting shall be held when requested by the Board, the auditor or on the request by a shareholder that owns at least 5% of the share capital. A request from a shareholder that an Extraordinary General Meeting must be called shall be submitted in writing to the Board along with a specification of the subjects that the shareholder wishes to present before the General Meeting. The Extraordinary General Meeting shall be convened within two weeks of such request.

For a period of at least three weeks before every General Meeting, , including the date of the General Meeting, the following information shall be available on the Company's website:

- a. The notice convening the General Meeting
- b. The aggregate number of shares and voting rights at the date of the notice

- b. Det samlede antal aktier og stemmerettigheder pr. datoen for indkaldelsen
 - c. De dokumenter, der skal fremlægges på generalforsamlingen
 - d. Dagsorden og de fuldstændige forslag, der agtes fremsat på generalforsamlingen, samt for den ordinære generalforsamlings vedkommende den reviderede årsrapport
 - e. De formularer, der skal anvendes ved stemmeafgivelse pr. fuldmagt eller skriftligt ved brevstemme
- 4.8 Selskabets generalforsamlinger afholdes på engelsk. Bestyrelsen kan beslutte at tilbyde simultantolkning til dansk. Dokumenter udarbejdet i forbindelse med eller efter generalforsamlingen udarbejdes på engelsk og i det omfang lovgivningen kræver det eller, hvis det besluttet af bestyrelsen, på dansk.
- 4.9 Generalforsamlingen vælger en dirigent, der leder forhandlingerne og afgør alle spørgsmål vedrørende sagernes behandling.

5 Dagsorden for den ordinære generalforsamling

- 5.1 Dagsorden på den ordinære generalforsamling skal omfatte:
- 1. Generalforsamlingens valg af dirigent for generalforsamlingen.
 - 2. Fremlæggelse og godkendelse af årsrapporten.
 - 3. Anvendelse af overskud eller dækning af tab i henhold til det godkendte regnskab.
 - 4. Fremlæggelse og godkendelse af vederlagsrapport.
 - 5. Beslutning om meddelelse af decharge til bestyrelsen og direktionen.
 - 6. Godkendelse af vederlag til bestyrelsen for indeværende regnskabsår.
 - 7. Valg af medlemmer til bestyrelsen, herunder formand.

- c. The documents to be presented at the General Meeting
- d. The agenda and the complete proposals submitted for the General Meeting as well as - in the case of the Annual General Meeting - the audited Annual Report
- e. The forms to be used for voting by proxy or by postal vote

General Meetings shall be held in English. The Board may decide to offer simultaneous interpretation into Danish. Documents prepared in connection with or following a General Meeting shall be in English and, if decided by the Board or required by applicable law, in Danish.

The General Meeting appoints a chairman to preside over the General Meeting and decide upon all questions of procedure.

Agenda for the Annual General Meeting

The agenda for the Annual General Meeting shall include the following business:

- 1. The General Meeting's election of the chairman of the general meeting.
 - 2. Presentation and adoption of the annual report.
 - 3. Distribution of profits or covering of losses according to the annual report adopted.
 - 4. Presentation and adoption of the annual remuneration report.
 - 5. Resolution to grant discharge of liability to the Board and the Executive Management.
 - 6. Approval of remuneration of the Board for the current financial year.
 - 7. Election of members to the Board, including Chairman.
-

8. Valg af revisor.
9. Bemyndigelse til at erhverve egne aktier, hvis relevant.
10. Eventuelle forslag fra bestyrelsen eller aktionærer.
11. Eventuelt.

5.2 Aktionærer kan skriftligt over for bestyrelsen fremsætte krav om optagelse af et bestemt emne på dagsordenen til den ordinære generalforsamling. Begæring herom skal fremsættes skriftligt til bestyrelsen senest seks uger før den ordinære generalforsamlings afholdelse.

6 Aktionærernes møde- og stemmeret på generalforsamlingen

- 6.1 En aktionærs ret til at deltage i en generalforsamling og til at afgive stemme fastsættes i forhold til de aktier, aktionæren besidder på registreringsdatoen. Registreringsdatoen ligger en uge før generalforsamlingen.
- 6.2 Enhver aktionær, der er berettiget til at deltage i generalforsamlingen, og som ønsker at deltage i generalforsamlingen, skal senest tre dage før afholdelse af generalforsamlingen anmelde sin deltagelse til selskabet.
- 6.3 En aktionær kan møde personligt eller ved fuldmægtig, og både aktionæren og fuldmægtigen er berettiget til at møde med en rådgiver.
- 6.4 Stemmeret kan udøves i henhold til skriftlig og dateret fuldmagt i overensstemmelse med den til enhver tid gældende lovgivning herom.
- 6.5 Enhver aktionær, der er berettiget til at deltage i en generalforsamling kan endvidere stemme skriftligt ved brevstemme i overensstemmelse med selskabslovens regler herom. Brevstemmer skal være selskabet i hænde senest to hverdage før generalforsamlingen. Brevstemmer kan ikke tilbagekaldes.
- 6.6 På generalforsamlingen giver hver aktie på 1 kr. én stemme.

8. Appointment of auditor.
9. Authorisation to acquire treasury shares, if relevant.
10. Any proposals from the Board or shareholders.
11. Any other business.

The shareholders may submit requests to the Board for the inclusion of a specific item on the agenda of the Annual General Meeting. Any request must be submitted in writing to the Board not later than six weeks before the date of the Annual General Meeting.

Shareholders' attendance and voting rights at the General Meeting

The right of a shareholder to attend and vote at a General Meeting is determined by the shares held by the shareholder at the record date. The record date is one week prior to the General Meeting.

A shareholder who is entitled to attend the General Meeting and who wants to attend the General Meeting shall notify the Company of its attendance not later than three days prior to the date of the General Meeting.

A shareholder may attend in person or by proxy, and the shareholder or the

proxy may attend together with an adviser.

The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law.

A shareholder who is entitled to participate in the general meeting may vote by postal vote in accordance with the provisions of the Danish Companies Act. Such postal votes shall be received by the Company not later than two business days before the General Meeting. Postal votes cannot be withdrawn.

Each share of DKK 1 shall carry one vote at the General Meeting.

6.7 En person, der er registreret i selskabets ejerbog som indehaver af aktier, og som handler erhvervsmæssigt på vegne af andre fysiske eller juridiske personer, herunder indehavere af American Depositary Shares, der repræsenterer aktier i selskabet, kan afgive stemmer, der ikke er identiske for alle sådanne aktier.

7 Beslutninger på generalforsamlinger

7.1 De på generalforsamlingen behandlede anliggender afgøres ved almindelig stemmeflerhed af de tilstedeværende stemmer, med mindre Selskabsloven eller vedtægterne foreskriver særlige regler om repræsentation og majoritet.

7.2 Over forhandlingerne på generalforsamlingen føres en protokol, der underskrives af dirigenten.

8 Nomineringskomité

8.1 Selskabet skal have en nomineringskomité. Nomineringskomitéen skal afgive anbefalinger til generalforsamlingen vedrørende valg af generalforsamlingsvalgte bestyrelsesmedlemmer samt valg af medlemmer til nomineringskomitéen. Nomineringskomitéen skal herudover afgive anbefalinger til bestyrelsen vedrørende vederlag til nomineringskomitéens medlemmer samt vederlag til bestyrelsesmedlemmer, der indstilles af bestyrelsen til generalforsamlingen.

8.2 Nomineringskomitéen skal bestå af to til tre medlemmer. Nomineringskomitéens medlemmer, herunder nomineringskomitéens formand, vælges af generalforsamlingen for en periode på et eller to år. Nomineringskomitéens medlemmer kan genvælges. Hvis generalforsamlingen ikke har valgt nomineringskomitéens formand, vælger komitéen sin formand blandt sine medlemmer.

8.3 Nomineringskomitéens anbefalinger begrænser ikke aktionærers ret til at foreslå bestyrelseskandidater på generalforsamlingen.

8.4 Medlemmerne af nomineringskomitéen er underlagt tavshedspligt efter samme regler som medlemmerne af Selskabets bestyrelse. Generalforsamlingen skal ved en forretningsorden for nomineringskomitéen træffe nærmere bestemmelser om nomineringskomitéens

A person registered in the Company's register of shareholders as a holder of shares and acting in a professional capacity on behalf of other natural or legal persons, including holders of American Depositary Shares representing shares of the Company, may cast votes that are not identical for all such shares.

Resolutions at General Meetings

At the General Meeting, all resolutions shall be passed by a simple majority of votes cast, unless the Danish Companies Act or the Articles of Association prescribe special rules with regards to representation and majority.

The business transacted at the General Meeting shall be recorded in a minute book to be signed by the chairman of the General Meeting.

Nomination committee

The company shall have a Nomination Committee. The Nomination Committee shall make recommendations to the General Meeting regarding election of shareholder-elected members to the Board and election of members to the Nomination Committee. The Nomination Committee shall furthermore make recommendations to the Board regarding remuneration of the members of the Nomination Committee as well as remuneration of the members of the Board, which is resolved by the General Meeting pursuant to proposal from the Board.

The Nomination Committee shall consist of two to three members. The members of the Nomination Committee, including the chairman of the Nomination Committee, are elected by the General Meeting for a term of one or two years. The members of the Nomination Committee shall be eligible for reelection. If the general meeting has not elected the chairman of the committee, the committee shall elect the chairman among its members.

The recommendations of the Nomination Committee do not restrict the right of shareholders to propose Board candidates to the general meeting.

Members of the Nomination Committee are subject to a duty of confidentiality according to the same rules as those applying to members of the Company's Board. The general meeting shall lay down instructions for the Nomination Committee concerning its composition and activities. The Company shall ensure that the

sammensætning og virke. Selskabet skal sikre, at forretningsordenen for nomineringskomitéen til enhver tid er offentliggjort på Selskabets hjemmeside.

9 Bestyrelsen

9.1 Bestyrelsen består af tre til seks medlemmer, der vælges af generalforsamlingen. Bestyrelsesmedlemmer afgår hvert andet år ved den ordinære generalforsamling.

Fratrædende medlemmer kan genvælges.

9.2 Generalforsamlingen vælger formanden samt næstformanden.

9.3 Bestyrelsen er beslutningsdygtig, når over halvdelen af bestyrelsesmedlemmerne er til stede. Beslutninger i bestyrelsen træffes ved simpelt flertal. I tilfælde af stemmelighed gør formandens stemme udslaget.

9.4 Næstformanden fungerer som formandens stedfortræder. Ved permanent forfald af formanden og/eller næstformanden kan bestyrelsen konstituere sig selv indtil næste ordinære generalforsamling.

9.5 Bestyrelsen er bemyndiget til at træffe en eller flere beslutninger om udlodning af ekstraordinært udbytte.

10 Direktion

10.1 Bestyrelsen udpeger en direktion bestående af et til fire medlemmer, som anmeldes til Erhvervsstyrelsen, til at varetage den daglige ledelse af selskabet.

11 Tegningsregel

11.1 Selskabet tegnes af:

1. Bestyrelsens formand i forening med et medlem af bestyrelsen.
2. Bestyrelsens formand i forening med et medlem af direktionen.
3. Fire bestyrelsesmedlemmer i forening.
4. To medlemmer af direktionen.

instructions of the Nomination Committee are posted on the Company's website from time to time.

The Board

The Board shall consist of three to six members elected at the General Meeting. Members of the Board shall retire every second year at the Annual General Meeting.

Retiring members shall be eligible for reelection.

The General Meeting shall elect the Chairman and the Vice Chairman.

The Board shall form a quorum when more than half of the members of the Board are present. Resolutions of the Board are passed by a simple majority. In case of an equality of votes, the Chairman of the Board shall hold the casting vote.

The Vice Chairman shall act as substitute for the Chairman. In the event of permanent absence of the Chairman and/or Vice Chairman, the Board of Directors shall be entitled to elect a new Chairman or Vice Chairman who shall remain in office until the next Annual General Meeting.

The Board is authorised to pass one or more resolutions to distribute interim dividends.

Executive Management

The Board of Directors appoints an Executive Management consisting of one to four members, who shall be registered with the Danish Business Authority, to be in charge of the day-to-day management of the Company.

Powers to bind

The Company shall be bound by:

1. The joint signatures of the Chairman of the Board and one member of the Board.
2. The joint signatures of the Chairman of the Board and one member of the executive management.

5. Den samlede bestyrelse.

12 Elektronisk kommunikation

- 12.1 Al kommunikation fra selskabet til de enkelte aktionærer, herunder indkaldelse til generalforsamlinger, kan ske elektronisk via offentliggørelse på selskabets hjemmeside eller ved udsendelse via e-mail. Generelle meddelelser gøres tilgængelige på selskabets hjemmeside og på sådan anden måde, som måtte være foreskrevet i henhold til lov. Selskabet kan som et alternativ vælge at fremsende meddelelser mv. med almindelig post.
- 12.2 Kommunikation fra aktionærer til selskabet kan ske ved e-mail eller med almindelig post.
- 12.3 Det er den enkelte aktionærs ansvar at sikre, at selskabet til stadighed er i besiddelse af korrekte oplysninger om aktionærens e-mailadresse. Selskabet har ingen pligt til at søge oplysningerne berigtiget eller til at fremsende meddelelser på anden måde.
- 12.4 Selskabets hjemmeside indeholder oplysninger om kravene til de anvendte systemer samt om fremgangsmåden i forbindelse med elektronisk kommunikation.

13 Årsrapport

- 13.1 Revision af selskabets årsrapport foretages af den generalforsamlingsvalgte statsautoriserede revisor, der vælges for et år ad gangen. Genvalg kan finde sted, i det omfang det er tilladt under gældende lovgivning.

14 Sprog

- 14.1 Årsrapporten skal udarbejdes på engelsk.
- 14.2 Selskabets koncernsprog er engelsk.
- 14.3 Selskabsmeddelelser udarbejdes på engelsk.

3. The joint signatures of four members of the Board of Directors.
4. The joint signatures of two members of the executive management.
5. The joint signatures of all members of the Board.

Electronic communication

All communication from the Company to the individual shareholders, including notices convening General Meetings, may take place electronically by posting on the Company's website or by email. General notices shall be published on the Company's website and in such other manner as may be prescribed by applicable law. The Company may as an alternative choose to send notices, etc. by ordinary post.

Communication from a shareholder to the Company may take place by email or by ordinary post.

Each shareholder is responsible for ensuring that the Company has the correct email address at all times. The Company is not obliged to verify such contact information or to send notices in any other way.

The Company's website contains information about system requirements and electronic communication procedures.

Annual report

The annual report of the Company shall be audited by the State-authorized Public Accountant, appointed for a one-year term at the General Meeting. Auditors may be re-elected to the extent permitted under applicable law.

Language

The Annual Report shall be in English.

The Company's corporate language is English.

Company announcements shall be prepared in English.

15 Regnskabsår

15.1 Selskabets regnskabsår løber fra 01.01 til 31.12.

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Således vedtaget på selskabets ekstraordinære generalforsamling den 26. oktober 2020, opdateret i henhold til bestyrelsesbeslutning af 16. november 2020, i henhold til bestyrelsesbeslutning af 28. april 2021, i henhold til generalforsamlingsbeslutning af 29. april 2021, i henhold til generalforsamlingsbeslutning af 26. april 2022, i henhold til bestyrelsesbeslutning af 3. maj 2022, i henhold til generalforsamlingsbeslutning af 7. oktober 2022, i henhold til bestyrelsesbeslutning af 12. oktober 2022, i henhold til generalforsamlingsbeslutning af 25. april 2023, i henhold til generalforsamlingsbeslutning af 14. juli 2023, i henhold til bestyrelsesbeslutning af 14. juli 2023 som gennemført den 19. december 2023, i henhold til bestyrelsesbeslutning af 14. februar 2024 og senest i henhold til generalforsamlingsbeslutning af 20. februar 2024.

Financial year

The financial year of the Company shall be from 1 January to 31 December.

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As adopted at an Extraordinary General Meeting of the Company on 26 October 2020, amended in accordance with decision by the Board of Directors dated 16 November 2020, in accordance with decision by the Board of Directors dated 28 April 2021, in accordance with decision by the general meeting dated 29 April 2021, in accordance with decision by the general meeting dated 26 April 2022, in accordance with decision by the Board of Directors dated 3 May 2022, in accordance with decision by the general meeting dated 7 October 2022, in accordance with decision by the Board of Directors dated 12 October 2022, in accordance with decision by the general meeting dated 25 April 2023, in accordance with decision by the general meeting dated 14 July 2023, in accordance with decision by the Board of Directors dated 14 July 2023 as implemented on 19 December 2023, in accordance with decision by the Board of Directors dated 14 February 2024, and latest in accordance with decision by the general meeting dated 20 February 2024.

DESCRIPTION OF THE RIGHTS OF CADELER AMERICAN DEPOSITARY SHARES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

The following is a summary of the general terms and provisions of the deposit agreement dated December 19, 2023 between Cadeler A/S (“Cadeler”) JPMorgan Chase Bank, N.A., in its capacity as depository (the “Depository”) and all holders and beneficial owners from time to time of American Depositary Receipts (“ADRs”) issued thereunder, entered into a deposit agreement (the “Deposit Agreement”). This summary does not purport to be complete. American Depositary Share (“ADS”) holders should read the Deposit Agreement, which is filed as Exhibit 4.1 to Cadeler’s Registration Statement on Form F-4 filed with the U.S. Securities and Exchange Commission (the “SEC”) on October 31, 2023 (the “Registration Statement”).

American Depositary Receipts

Each ADS of Cadeler (“Cadeler ADS”) represents an ownership interest in four (4) shares of Cadeler, with a nominal value of DKK 1.00 per share (the “Cadeler Shares”), deposited with the custodian, as agent of the Depository, under the Deposit Agreement, evidencing Cadeler ADSs issued thereunder.

The Depository’s office is located at 383 Madison Avenue, Floor 11, New York, NY 10179, United States of America.

The ADS-to-share ratio is subject to amendment as provided in the form of ADR (which may give rise to fees contemplated by the form of ADR); provided that the ratio shall not result in an ADR holder being entitled to a fractional Cadeler Share. In the future, each Cadeler ADS will also represent any securities, cash or other property deposited with the Depository but which they have not distributed directly to ADS holders. The form of ADR is attached to the form of Deposit Agreement which is attached as Exhibit 4.1 to the Registration Statement.

A beneficial owner is any person or entity having a beneficial ownership interest in Cadeler ADSs and thereby also having the beneficial ownership interest in the Deposited Securities (as defined below) represented by Cadeler ADSs. A beneficial owner need not be the holder of the ADR. If a beneficial owner of Cadeler ADSs is not an ADR holder, such beneficial owner must rely on the holder of the ADR(s) in order to assert any rights or receive any benefits under the Deposit Agreement. A beneficial owner shall only be able to exercise any right or receive any benefit under the Deposit Agreement solely through the holder of the ADR(s) owned by such beneficial owner. The arrangements between a beneficial owner of Cadeler ADSs and the holder of the corresponding ADRs may affect the beneficial owner’s ability to exercise any rights it may have.

An ADR holder shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the Cadeler ADSs registered in such ADR holder’s name for all purposes under the Deposit Agreement and ADRs. The Depository’s only

notification obligations under the Deposit Agreement and the ADRs, other than to Cadeler as provided in the Deposit Agreement, is to registered ADR holders. Notice to an ADR holder shall be deemed, for all purposes of the Deposit Agreement and the ADRs, to constitute notice to any and all beneficial owners of the Cadeler ADSs evidenced by such ADR holder's ADRs.

Unless certificated ADRs are specifically requested, all Cadeler ADSs are issued on the books of the Depository in book-entry form, and periodic statements are mailed to ADS holders reflecting such ADS holders' ownership interest in such Cadeler ADSs. In this description, references to ADRs shall include the statements ADS holders receive reflecting such ADS holders' ownership of Cadeler ADSs.

ADS holders may hold Cadeler ADSs either directly or indirectly through their broker or other financial institution. If ADS holders hold Cadeler ADSs directly, by having a Cadeler ADS registered in their name on the books of the Depository, ADS holders are ADR holders. This description assumes ADS holders hold their Cadeler ADSs directly. If ADS holders hold the ADSs through their broker or financial institution nominee, ADS holders must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. ADS holders should consult with their broker or financial institution to find out what those procedures are.

The laws of Denmark govern Cadeler Shareholder rights. Because the Depository or its nominee are the shareholder of record for the Cadeler Shares represented by all outstanding Cadeler ADSs, Cadeler Shareholder rights are exercised through such record holder. Such ADS holders' rights are those of an ADR holder or of a beneficial owner. Such rights derive from the terms of the Deposit Agreement and, in the case of a beneficial owner, from the arrangements between the beneficial owner and the holder of the corresponding ADRs. The obligations of the Depository and its agents are also set out in the Deposit Agreement. Because the Depository or its nominee are actually the registered owner of the Cadeler Shares, ADS holders must rely on it to exercise the rights of a Cadeler Shareholder on such ADS holders' behalf.

The Deposit Agreement, the ADRs and the Cadeler ADSs are governed by New York law.

By holding or owning an ADR or Cadeler ADS or an interest therein, ADR holders and beneficial owners each irrevocably agree that any legal suit, action or proceeding against or involving the Depository and/or Cadeler brought by ADR holders or beneficial owners, arising out of or based upon the Deposit Agreement, the Cadeler ADSs, the ADRs or the transactions contemplated therein or thereby, including, without limitation, claims under the U.S. Securities Act, may be instituted only in the United States Court for the Southern District of New York (or in the state courts of New York County in New York) if either:

- the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, or

- the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable.

The following is a summary of what Cadeler believes to be the material terms of the Deposit Agreement and the ADRs. Notwithstanding this, because it is a summary, it may not contain all the information that ADS holders may otherwise deem important. For more complete information, ADS holders should read the entire Deposit Agreement and the form of ADR containing the terms of Cadeler ADSs. ADS holders can read a copy of the Deposit Agreement that is filed as Exhibit 4.1 to the Registration Statement. ADS holders may also obtain a copy of the Deposit Agreement at the SEC's Public Reference Room, which is currently located at 100 F Street, NE, Washington, DC 20549. ADS holders may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. ADS holders may also find the Registration Statement and the attached Deposit Agreement through the EDGAR system on the SEC's internet website at <http://www.sec.gov>.

Share Dividends and Other Distributions

How do ADS holders receive dividends and other distributions on the Cadeler Shares underlying ADSs?

Cadeler may make various types of distributions with respect to its securities. The Depositary has agreed that, to the extent practicable, it will pay to ADS holders the cash dividends or other distributions it or the custodian receives on Cadeler Shares or other Deposited Securities, after making any necessary deductions for fees, charges and expenses provided for in the Deposit Agreement. The Depositary may utilize a division, branch or affiliate of JPMorgan Chase Bank, N.A. to direct, manage and/or execute any public and/or private sale of securities and/or property under the Deposit Agreement. Such division, branch and/or affiliate may charge the Depositary a fee in connection with such sales, which fee is considered an expense of the Depositary. ADS holders will receive these distributions in proportion to the number of underlying securities that such ADS holders' Cadeler ADSs represent.

Except as stated below, the Depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The Depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof, on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being permissible and practicable with respect to certain registered ADR holders, and (iii) deduction of the Depositary's and/or its agents' fees and expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the Depositary may determine to the extent

that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. *If exchange rates fluctuate during a time when the Depositary cannot convert a foreign currency, ADS holders may lose some or all of the value of the distribution.*

To the extent that any of the Deposited Securities is not or shall not be entitled, by reason of its date of issuance, or otherwise, to receive the full amount of such cash dividend, distribution, or net proceeds of sales, the Depositary shall make appropriate adjustments in the amounts distributed to the ADR holders issued in respect of such Deposited Securities. To the extent Cadeler or the Depositary is required to withhold from any cash dividend, distribution or net proceeds from sales in respect of any Deposited Securities an amount for taxes, the amount distributed on the Cadeler ADSs issued in respect of such Deposited Securities shall be reduced accordingly.

To the extent the Depositary determines in its discretion that it would not be permitted by applicable law, rule or regulation, or it would not otherwise be practicable, to convert foreign currency into U.S. dollars and/or distribute such U.S. dollars to any or all of the ADR holders entitled thereto, the Depositary may, after consultation with the Company, distribute some or all of the foreign currency received by the Depositary as it deems permissible and practicable to, or retain and hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the ADR holders entitled to receive the same

- *Shares.* In the case of a distribution in Cadeler Shares, the Depositary will issue additional ADRs to evidence the number of Cadeler ADSs representing such Cadeler Shares. Only whole Cadeler ADSs will be issued. Any Cadeler Shares that would result in fractional Cadeler ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to receive additional Cadeler Shares.* In the case of a distribution of rights to subscribe for additional Cadeler Shares or other rights, if Cadeler timely provides evidence satisfactory to the Depositary that it may lawfully distribute such rights, the Depositary will distribute warrants or other instruments in the discretion of the Depositary representing such rights. However, if Cadeler does not timely furnish such evidence, the Depositary may:
 - i. sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
 - ii. if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in

which case ADR holders will receive nothing and the rights may lapse. Cadeler has no obligation to file a registration statement under the U.S. Securities Act in order to make any rights available to ADR holders.

- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the Depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the Depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.
- *Elective Distributions.* In the case of a dividend payable at the election of Cadeler Shareholders in cash or in additional Cadeler Shares, Cadeler will notify the Depositary at least 30 days prior to the proposed distribution stating whether or not Cadeler wishes such elective distribution to be made available to ADR holders, provided that in the event such notice is not received by the Depositary from Cadeler at least 30 days prior to the date of the distribution, the Depositary shall only be obligated to use commercially reasonable efforts to make such elective distribution available to ADR holders. The Depositary shall make such elective distribution available to ADR holders only if (i) Cadeler shall have timely requested that the elective distribution is available to ADR holders, (ii) the Depositary shall have determined that such distribution is reasonably practicable and (iii) the Depositary shall have received satisfactory documentation within the terms of the Deposit Agreement including any legal opinions of counsel that the Depositary in its reasonable discretion may request, in accordance with the Deposit Agreement. If the above conditions are not satisfied, the Depositary shall, to the extent permitted by law, distribute to the ADR holders, on the basis of the same determination as is made in the local market in respect of the Cadeler Shares for which no election is made, either (x) cash or (y) additional Cadeler ADSs representing such additional Cadeler Shares. If the above conditions are satisfied, the Depositary shall establish procedures to enable ADR holders to elect the receipt of the proposed dividend in cash or in additional Cadeler ADSs. There can be no assurance that ADR holders or beneficial owners of Cadeler ADSs generally, or any ADR holder or beneficial owner of Cadeler ADSs in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the Cadeler Shareholders.

To the extent that the Depositary determines in its discretion that any distribution would not be permissible by applicable law, rule or regulation, or is not otherwise practicable with respect to any or all ADR holders, the Depositary may make such distribution as it so deems practicable, including the distribution of some or all of any cash, foreign currency, securities or other property (or appropriate documents evidencing the right to receive some or all of any such cash, foreign currency, securities or other property), and/or the Depositary may retain and hold some or all of such cash, foreign currency, securities or other property as Deposited Securities with respect to the

applicable ADR holders' ADRs (without liability for interest thereon or the investment thereof).

To the extent the Depositary retains and holds any cash, foreign currency, securities or other property as permitted under the Deposit Agreement, any and all fees, charges and expenses related to, or arising from, the holding thereof (including, but not limited to those described under "—Fees and Expenses" below) shall be paid from such cash, foreign currency, securities or other property, or the net proceeds from the sale thereof, thereby reducing the amount so held.

Sales of Cadeler Shares, other securities and property pursuant to the Deposit Agreement may be made in a block sale or single lot transaction by the Depositary. The Depositary may, but shall not be obligated, to effect any sale of securities or property pursuant to the Deposit Agreement unless the securities to be sold are listed and publicly traded on a securities exchange or there is a public market for the property to be sold.

Any U.S. dollars will be paid via wire transfer and/or distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the Depositary in accordance with its then current practices.

The Depositary is not responsible if it fails to determine that any distribution or action is lawful or reasonably practicable.

There can be no assurance that the Depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, Cadeler Shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period. All purchases and sales of securities will be handled by the Depositary in accordance with its then current policies, which are currently set forth on the "Disclosures" page (or successor page) of www.adr.com (as updated by the Depositary from time to time, "ADR.com").

Deposit, Withdrawal and Cancellation

How does the Depositary issue Cadeler ADSs?

The Depositary will issue Cadeler ADSs if ADS holders or such ADS holders' broker deposit Cadeler Shares or evidence of rights to receive Cadeler Shares with the custodian and pay the fees and expenses owing to the Depositary in connection with such issuance.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as Depositary for the benefit of holders of ADRs or in such other name as the Depositary shall direct.

The custodian will hold all deposited Cadeler Shares for the account and to the order of the Depositary, in each case for the benefit of ADR holders, to the extent not

prohibited by law. ADR holders and beneficial owners have such rights as are contained in the Deposit Agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited Cadeler Shares. The deposited Cadeler Shares and any such additional items are referred to as "Deposited Securities."

Deposited Securities are not intended to, and shall not, constitute proprietary assets of the Depository, the custodian or their nominees. Beneficial ownership in Deposited Securities (including any economic right and the right to withdraw the Cadeler Shares and exercise any shareholder rights under Danish law directly as the holder of the Cadeler Shares) is intended to be, and shall at all times during the term of the Deposit Agreement continue to be, vested in the holders of the Cadeler ADSs and, subject to any arrangements between the ADR holders and the beneficial Owners of the Cadeler ADSs held by such holders, the beneficial owners of the Cadeler ADSs representing such Deposited Securities. Notwithstanding anything else contained herein, in the Deposit Agreement, in the form of ADR and/or in any outstanding Cadeler ADSs, the Depository, the custodian and their respective nominees are intended to be, and shall at all times during the term of the Deposit Agreement be, the record holder(s) only of the Deposited Securities represented by the Cadeler ADSs for the benefit of the ADR holders. The Depository, on its own behalf and on behalf of the custodian and their respective nominees, disclaims any beneficial ownership interest in the Deposited Securities held on behalf of the ADR holders.

Upon each deposit of Cadeler Shares, receipt of related delivery documentation and compliance with the other provisions of the Deposit Agreement, including the payment of the fees and charges of the Depository and any taxes or other fees or charges owing, the Depository will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of Cadeler ADSs to which such person is entitled. All of the Cadeler ADSs issued will, unless specifically requested to the contrary, be part of the Depository's direct registration system, and a registered holder will receive periodic statements from the Depository which will show the number of Cadeler ADSs registered in such holder's name. An ADR holder can request that the Cadeler ADSs not be held through the Depository's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel a Cadeler ADS and obtain Deposited Securities?

When ADS holders turn in such ADS holders' ADR certificate at the Depository's office, or when ADS holders provide proper instructions and documentation in the case of direct registration Cadeler ADSs, the Depository will, upon payment of applicable fees, charges and taxes, deliver the underlying Cadeler Shares to ADS holders or upon such ADS holders' written order. Delivery of Deposited Securities in certificated form will be made at the custodian's office. At such ADS holders' request, risk and expense, the Depository may deliver Deposited Securities, including certificates therefor, at a place other than the Depository's office.

The Depository may only restrict the withdrawal of Deposited Securities in connection with:

- temporary delays caused by closing the transfer books of the Depository or Cadeler's shareholder registry or the deposit of Cadeler Shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of Deposited Securities.

This right of withdrawal may not be limited by any other provision of the Deposit Agreement.

Record Dates

The Depository may, after consultation with Cadeler, if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by Cadeler with respect to the Cadeler Shares) for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of Deposited Securities,
- to give instructions for the exercise of voting rights at a meeting of Cadeler Shareholders,
- to pay any fees, expenses or charges assessed by, or owing to, the Depository for administration of the ADR program as provided for in the ADR, or
- to receive any notice or to act in respect of other matters,

all subject to the provisions of the Deposit Agreement.

Voting Rights

How do ADS holders vote?

If ADS holders are ADR holders and the Depository distributes a voting notice and thereby asking ADS holders to provide it with voting instructions, ADS holders may instruct the Depository how to exercise the voting rights, if any, pertaining to the Cadeler Shares underlying such ADS holders' Cadeler ADSs. As soon as practicable after receipt from Cadeler of notice of any meeting at which the Cadeler Shareholders are entitled to vote, or of solicitation of consents or proxies from Cadeler Shareholders, the Depository shall fix the Cadeler ADS record date in accordance with the provisions of the Deposit Agreement, provided that if the Depository receives a written request from Cadeler in a timely manner and at least 30 days, if practicable, prior to the date of such vote or meeting, the Depository shall, at Cadeler's expense, distribute to the registered ADR holders a "voting notice" stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each ADR holder on the ADS record date set by the Depository will, subject to any applicable provisions of the laws of Denmark and the

rules, regulations and requirements of any securities exchange on which the Cadeler Shares are listed, be entitled to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited Securities represented by the Cadeler ADSs evidenced by such ADR holder's ADRs and (iii) the manner in which such instructions may be given, including, without limitations, any requirements that Cadeler ADSs be blocked for trading for a specified period of time leading up to and including the record date for the Cadeler Shares for such meeting or solicitation and/or Cadeler Shares represented by Cadeler ADSs for which instructions are provided be withdrawn and registered in the name of the instructing ADR holder, and instructions to give a discretionary proxy to a person (not being the Depositary) designated by Cadeler, provided, further, that in the event a written request of Cadeler to distribute a voting notice is not received by the Depositary at least 30 days prior to the date of such vote or meeting, the Depositary shall only be obligated to use commercially reasonable efforts to effect the distribution of such voting notice. Each ADR holder shall be solely responsible for the forwarding of voting notices to the beneficial owners of Cadeler ADSs registered in such ADR holder's name. There is no guarantee that ADR holders and beneficial owners generally or any holder or beneficial owner in particular will receive the notice described above with sufficient time to enable such ADR holder or beneficial owner to return any voting instructions to the Depositary in a timely manner.

Following actual receipt by the ADR department responsible for proxies and voting of ADR holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the nominee for DTC), the Depositary shall, in the manner and on or before the time established by the Depositary for such purpose, endeavor to vote or cause to be voted the Deposited Securities represented by the Cadeler ADSs evidenced by such ADR holders' ADRs in accordance with such instructions insofar as practicable and permitted under Danish laws, Cadeler's articles of association and the provisions of or governing Deposited Securities.

ADR holders are strongly encouraged to forward their voting instructions to the Depositary as soon as possible. For instructions to be valid, the ADR department of the Depositary that is responsible for proxies and voting must receive them in the manner and on or before the time specified, notwithstanding that such instructions may have been physically received by the Depositary prior to such time. The Depositary or the Custodian will and may not itself exercise any voting discretion in respect of Deposited Securities or in any way use it for purposes of establishing a quorum, except pursuant to and in accordance with such written instructions from ADR holders. Cadeler Shares or other Deposited Securities for which no voting instructions, or no specific voting instructions, are received by the Depositary from the ADR holder shall not be voted or in any way used for purposes of establishing a quorum. Pursuant to the Danish Companies Act, voting rights may only be exercised by the Depositary according to express authorization and instructions from the ADR holder. The Depositary and its agents will not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, for the manner in which any voting instructions are given, including instructions to give a discretionary proxy to a person designated by Cadeler, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the Depositary is instructed to grant a discretionary proxy, or for the effect of

any such vote. Notwithstanding anything contained in the Deposit Agreement or any ADR, the Depositary may, to the extent not prohibited by any law, rule, or regulation, or by the rules, regulations or requirements of any stock exchange on which the Cadeler ADSs are listed, in lieu of distribution of the materials provided to the Depositary in connection with any meeting of or solicitation of consents or proxies from holders of Deposited Securities, distribute to the registered holders of ADRs a notice that provides such ADR holders with or otherwise publicizes to such ADR holders instructions on how to retrieve such materials or receive such materials upon request (i.e., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials). Voting instructions will not be deemed received until such time as the ADR department responsible for proxies and voting has received such instructions, notwithstanding that such instructions may have been physically received by the Depositary, prior to such time.

The Depositary has been advised by Cadeler that under the laws of Denmark and the articles of association of Cadeler, each as in effect as of the date of the Deposit Agreement, a precondition for exercising any such voting rights at any meeting of Cadeler Shareholders is that the holder of Cadeler ADSs providing voting instructions on the Cadeler ADSs record date remains a holder with respect to such Cadeler ADSs on the record date fixed by Cadeler under Danish law for such meeting (the "Danish Record Date"). By providing voting instructions to the Depositary, the holder of Cadeler ADSs is deemed to agree that it will remain a registered holder of the Cadeler ADSs for which it is providing voting instructions until at least the Danish Record Date or such other date required under applicable Danish law. At any meeting of Cadeler Shareholders, each Cadeler Share with a nominal value of DKK 1.00 shall carry one vote. Holders of Cadeler ADSs may instruct the Depositary how to vote the number of Cadeler Shares their Cadeler ADSs represent. The Cadeler Board may be appointed to vote on behalf of the holder of Cadeler ADSs as proxy. Such postal votes shall be received by Cadeler no later than two business days before the meeting of Cadeler Shareholders. Postal votes cannot be withdrawn. Resolutions at any meeting of Cadeler Shareholders shall be passed by a simple majority of votes cast, unless otherwise prescribed by law or by Cadeler's articles of association. Adoption of changes to Cadeler's articles of association, a dissolution, merger or demerger requires that the resolution is adopted by at least two-thirds of the votes cast as well as the share capital represented at the general meeting. Certain resolutions, which, among other things, limit the voting rights of Cadeler Shareholders, dividend rights or transferability of Cadeler Shares are subject to approval by at least a nine-tenth majority of the votes cast and the share capital represented at the meeting of Cadeler Shareholders. Decisions to impose any or increase any obligations of the Cadeler Shareholders towards Cadeler require unanimity.

Reports and Other Communications

Will ADR holders be able to view Cadeler's reports?

The Depositary will make available for inspection by ADR holders at the offices of the Depositary in the United States the Deposit Agreement, the provisions of or governing Deposited Securities, and any written communications from Cadeler which are

both received by the custodian or its nominee as a holder of Deposited Securities and made generally available to the holders of Deposited Securities.

Additionally, if Cadeler makes any written communications generally available to Cadeler Shareholders, and furnishes copies thereof (or English translations or summaries) to the Depositary, it will distribute the same to registered ADR holders.

Fees and Expenses

What fees and expenses are ADS holders responsible for paying?

The Depositary may charge each person to whom Cadeler ADSs are issued, including, without limitation, issuances against deposits of Cadeler Shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by Cadeler or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the Cadeler ADSs or Deposited Securities, and each person surrendering Cadeler ADSs for withdrawal of Deposited Securities or whose ADRs are cancelled or reduced for any other reason, a fee of up to \$5.00 for each 100 Cadeler ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered, as the case may be. The Depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge. Each ADR holder acknowledges that in such situation such a sale is in the best interest and for the benefit of such holder.

The following additional fees, charges and expenses shall also be incurred by the ADR holders, the beneficial owners, by any party depositing or withdrawing Cadeler Shares or by any party surrendering Cadeler ADSs and/or to whom Cadeler ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by Cadeler or an exchange of stock regarding the Cadeler ADSs or the Deposited Securities or a distribution of Cadeler ADSs), whichever is applicable:

- a fee of up to U.S.\$0.05 per Cadeler ADS held for any cash distribution made, or for any elective cash/stock dividend offered, pursuant to the Deposit Agreement;
- an aggregate fee of up to U.S.\$0.05 per Cadeler ADS per calendar year (or portion thereof) for services performed by the Depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the Depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- an amount for the reimbursement of such charges and expenses as are incurred by the Depositary and/or any of its agents (including, without limitation, the custodian, as well as charges and expenses incurred on behalf

of ADR holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the Cadeler Shares or other Deposited Securities, the sale of securities (including, without limitation, Deposited Securities), the delivery of Deposited Securities or otherwise in connection with the Depositary's or its custodian's compliance with applicable law, rule or regulation (which charges and expenses may be assessed on a proportionate basis against ADR holders as of the record date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such ADR holders or by deducting such charge or expense from one or more cash dividends or other cash distributions);

- a fee of up to U.S.\$0.05 per Cadeler ADS held for the direct or indirect distribution of securities (other than Cadeler ADSs or rights to purchase additional Cadeler ADSs as described under “—Share Dividends and Other Distributions” above) or the net cash proceeds from the public or private sale of any such securities, regardless of whether any such distribution and/or sale is made by, for, or received from, or (in each case) on behalf of, the Depositary, Cadeler and/or any third party (which fee may be assessed against ADR holders as of a record date set by the Depositary);
- stock transfer or other taxes and other governmental charges;
- a transaction fee per cancellation request (including any cancellation request made through SWIFT, facsimile transmission or any other method of communication) as disclosed on the “Disclosures” page (or successor page) of ADR.com and any applicable delivery expenses (which are payable by such persons or holders);
- transfer or registration fees for the registration of transfer of Deposited Securities on any applicable register in connection with the deposit or withdrawal of Deposited Securities; and
- fees of any division, branch or affiliate of the Depositary utilized by the Depositary to direct, manage and/or execute any public and/or private sale of securities under the Deposit Agreement.

To facilitate the administration of various depositary receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the Depositary may engage the foreign exchange desk within JPMorgan Chase Bank, N.A. (the “Bank”) and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars (“FX Transactions”). For certain currencies, FX Transactions are entered into with the Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, FX Transactions are routed directly to and managed by an unaffiliated local custodian (or other third-party local liquidity provider), and neither the Bank nor any of its affiliates is a party to such FX Transactions.

The foreign exchange rate applied to an FX Transaction will be either (a) a published benchmark rate, or (b) a rate determined by a third-party local liquidity provider, in each case plus or minus a spread, as applicable. The Depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the “Disclosures” page (or successor page) of ADR.com. Such applicable foreign exchange rate and spread may (and neither the Depositary, the Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the FX Transaction. Additionally, the timing of execution of an FX Transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on the Depositary, Cadeler, holders or beneficial owners. *The spread applied does not reflect any gains or losses that may be earned or incurred by the Bank and its affiliates as a result of risk management or other hedging related activity.*

Notwithstanding the foregoing, to the extent Cadeler provides U.S. dollars to the Depositary, neither the Bank nor any of its affiliates will execute an FX Transaction as set forth herein. In such case, the Depositary will distribute the U.S. dollars received from Cadeler.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of FX Transactions will be provided by the Depositary on ADR.com. Each holder and beneficial owner by holding or owning an ADR or Cadeler ADS or an interest therein, and we, each acknowledge and agree that the terms applicable to FX Transactions disclosed from time to time on ADR.com will apply to any FX Transaction executed pursuant to the Deposit Agreement.

Cadeler will pay all other fees, charges and expenses of the Depositary and any agent of the Depositary (except the custodian) pursuant to agreements from time to time between Cadeler and the Depositary.

The right of the Depositary to charge and receive payment of fees, charges and expenses survives the termination of the Deposit Agreement, and shall extend for those fees, charges and expenses incurred prior to the effectiveness of any resignation or removal of the Depositary.

The fees and charges described above may be amended from time to time by agreement between Cadeler and the Depositary.

The Depositary may make available to Cadeler a set amount or a portion of the Depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as Cadeler and the Depositary may agree from time to time. The Depositary collects its fees for issuance and cancellation of Cadeler ADSs directly from

investors depositing Cadeler Shares or surrendering Cadeler ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for Depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The Depositary will generally set off the amounts owing from distributions made to holders of Cadeler ADSs. If, however, no distribution exists and payment owing is not timely received by the Depositary, the Depositary may refuse to provide any further services to ADR holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the Depositary, all fees and charges owing under the Deposit Agreement are due in advance and/or when declared owing by the Depositary.

The Depositary may agree to reduce or waive certain fees, charges and expenses provided in the ADRs and in the Deposit Agreement, including, without limitation, those described above that would normally be charged on Cadeler ADSs issued to or at the direction of, or otherwise held by, Cadeler and/or certain ADR holders and beneficial owners and holders and beneficial owners of Cadeler Shares.

Payment of Taxes

ADR holders or beneficial owners must pay any tax or other governmental charge payable by the custodian or the Depositary on any Cadeler ADS or ADR, deposited security or distribution. If any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the Depositary with respect to any ADR, any Deposited Securities represented by the Cadeler ADSs evidenced thereby or any distribution thereon, such tax or other governmental charge shall be paid by the ADR holder thereof to the Depositary and by holding or owning, or having held or owned, an ADR or any Cadeler ADSs evidenced thereby, the ADR holder and all beneficial owners thereof, and all prior ADR holders and beneficial owners thereof, jointly and severally, agree to indemnify, defend and save harmless each of the Depositary and its agents in respect of such tax or governmental charge.

Neither the Depositary, nor any of its agents, shall be liable to holders or beneficial owners of the Cadeler ADSs and ADRs for failure of any of them to comply with applicable tax laws, rules and/or regulations. Notwithstanding the Depositary's right to seek payment from current and former ADR holders and beneficial owners, ADR holder(s) and beneficial owner(s) (and all prior ADR holder(s) and beneficial owner(s)) acknowledge and agree that the Depositary has no obligation to seek payment of amounts owing for tax and other governmental charges from any current or former beneficial owner of Cadeler ADSs and ADRs. If an ADR holder owes any tax or other governmental charge, the Depositary may also deduct from any distributions on or in respect of Deposited Securities, or sell any part or all of such Deposited Securities (by public or private sale) for the account of the ADR holder and may apply such deduction or the proceeds or any such sale in payment of such tax or other governmental charge, the ADR holder remaining liable for any deficiency, and shall reduce the number of Cadeler

ADSs evidenced by the ADR to reflect any such sales of Cadeler Shares. If any tax or governmental charge is unpaid, the Depositary may also refuse to effect any registration, registration of transfer, split-up or combination of Deposited Securities or withdrawal of Deposited Securities until such payment is made. By holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners of Cadeler ADSs acknowledge that in such situation such a sale is in the best interest and for the benefit of the ADR holders and beneficial owners. In connection with any distribution to ADR holders, Cadeler will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by Cadeler; and the Depositary and the custodian will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Depositary or the custodian. If any tax or governmental charge is required to be withheld, the Depositary may, in the case of any distribution in property other than cash (including Cadeler Shares or rights) on Deposited Securities dispose of all or a portion of such property (by public or private sale) in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes and distribute the net proceeds of any such property after deduction of such taxes to the ADR holders entitled thereto.

As ADR holders or beneficial owners, ADS holders will be agreeing to indemnify Cadeler, the Depositary, its custodian and any of Cadeler's or the Depositary's respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained which obligations shall survive any transfer or surrender of Cadeler ADSs or the termination of the Deposit Agreement.

Reclassifications, Recapitalizations and Mergers

If Cadeler takes certain actions that affect the Deposited Securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of Deposited Securities or (ii) any distributions of Cadeler Shares or other property not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of Cadeler's assets, then the Depositary may choose to, and shall if reasonably requested by Cadeler:

- amend the form of ADR;
- distribute additional or amended ADRs;
- distribute cash, securities or other property it has received in connection with such actions;
- sell any securities or property received and distribute the proceeds as cash; or
- none of the above.

If the Depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the Deposited Securities and each Cadeler ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the Deposit Agreement be amended?

Cadeler may agree with the Depositary to amend the Deposit Agreement and the Cadeler ADSs without such ADS holders' consent for any reason. ADR holders must be given at least 30 days' notice of any amendment that imposes or increases any fees on a per Cadeler ADS basis, charges or expenses (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, the transaction fee per cancellation request (including any cancellation request made through SWIFT, facsimile transmission or any other method of communication described above under "—Fees and Expenses"), applicable delivery expenses or other such fees, charges or expenses), or otherwise prejudices any substantial existing right of ADR holders or beneficial owners. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder and any beneficial owner are deemed to agree to such amendment and to be bound by the Deposit Agreement as so amended. No amendment, however, will impair such ADS holders' right to surrender their Cadeler ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

Any amendments or supplements that (i) are reasonably necessary (as agreed by Cadeler and the Depositary) in order for (a) the Cadeler ADSs to be registered on Form F-6 under the U.S. Securities Act or (b) the Cadeler ADSs or Cadeler Shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by ADR holders, shall be deemed not to prejudice any substantial rights of ADR holders or beneficial owners. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations that would require amendment or supplement of the Deposit Agreement or the form of ADR to ensure compliance therewith, Cadeler and the Depositary may amend or supplement the Deposit Agreement and the ADR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement in such circumstances may become effective before a notice of such amendment or supplement is given to ADR holders or within any other period of time as required for compliance.

Notice of any amendment to the Deposit Agreement or the form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the ADR holders identifies a means for ADR holders and beneficial owners to retrieve or receive the text of such amendment (i.e., upon retrieval from the SEC's, the Depositary's or Cadeler's website or upon request from the Depositary).

How may the Deposit Agreement be terminated?

The Depositary shall, at any time at Cadeler's written direction, terminate the Deposit Agreement by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed for termination in such notice. The Depositary may also terminate the Deposit Agreement by mailing notice of such termination to the ADR holders at least 30 days prior to the date fixed for termination in such notice if (i) 60 days shall have expired after the date on which the Depositary shall have provided notice of its resignation to Cadeler and a successor Depositary shall not be operating under the Deposit Agreement, (ii) 60 days shall have expired after the date on which Cadeler has provided notice of removal to the Depositary and a successor Depositary shall not be operating under the Deposit Agreement, (iii) Cadeler is bankrupt, in liquidation proceedings or insolvent, (iv) the ADRs are delisted from a "national securities exchange" (that has registered with the SEC under Section 6 of the Exchange Act, (v) the Cadeler Shares cease to be listed on an internationally recognized securities exchange, (vi) Cadeler effects (or will effect) a redemption of all or substantially all of the Deposited Securities, or a cash or share distribution representing a return of all or substantially all of the value of the Deposited Securities (vii) there are no Deposited Securities with respect to Cadeler ADSs remaining, including if the Deposited Securities are cancelled, or the Deposited Securities have been deemed to have no value, or (viii) there occurs a merger, consolidation, sale of assets or other transaction as a result of which securities or other property are delivered in exchange for or in lieu of Deposited Securities. Additionally, the Depositary may immediately terminate the Deposit Agreement, without prior notice to Cadeler, any ADR holder or beneficial owner or any other person if (a) required by any law, rule or regulation relating to sanctions by any governmental authority or body or (b) required by any governmental authority or body, in each case as determined by the Depositary in its reasonable discretion.

Effect of termination

After the termination date, the Depositary and its agents will perform no further acts under the Deposit Agreement and ADRs, except to receive and hold (or sell) distributions on Deposited Securities, deliver Deposited Securities being withdrawn and to take such actions as provided in the next two paragraphs, in each case subject to payment to the Depositary of the applicable fees and expenses provided in the Deposit Agreement.

After the termination date, if the Deposited Securities are listed and publicly traded on a securities exchange and the Depositary believes that it is able, permissible and practicable to sell the Deposited Securities without undue effort, then, the Depositary may endeavor to publicly or privately sell (as long as it may lawfully do so) the Deposited Securities, which sale may be effected in a block sale/single lot transaction and, after the settlement of such sale(s), to the extent legally permissible and practicable, distribute or hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sale(s), less any amounts owing to the Depositary (including, without limitation, cancellation fees), together with any other cash then held by it under the Deposit Agreement, in trust, without liability for interest, for the *pro rata* benefit of the ADR holders entitled thereto. If the Depositary sells the Deposited Securities, the Depositary shall be discharged from all, and cease to have any, obligations under the

Deposit Agreement and the ADRs after making such sale, except to account for such net proceeds and other cash.

However, if the Deposited Securities are not listed and publicly traded on a securities exchange after the termination date, or if, for any reason, the Depository does not sell the Deposited Securities, the Depository shall use its reasonable efforts to ensure that the Cadeler ADSs cease to be DTC eligible and that neither DTC nor any of its nominees shall thereafter be an ADR holder. At such time as the Cadeler ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is an ADR holder, to the extent Cadeler is not, to the Depository's knowledge, insolvent or in bankruptcy or liquidation, the Depository shall:

- cancel all outstanding ADRs;
- request DTC to provide the Depository with information on those holding Cadeler ADSs through DTC and, upon receipt thereof, revise the ADR register to reflect the information provided by DTC;
- instruct its custodian to deliver all Deposited Securities to Cadeler, a subsidiary or an affiliate or registered office provider of Cadeler or an independent trust company engaged by Cadeler to hold those Deposited Securities in trust for the beneficial owners of the ADRs if Cadeler is not permitted to hold any of the Deposited Securities under applicable law and/or Cadeler has directed the Depository to so deliver Deposited Securities accordingly; and
- provide Cadeler with a copy of the ADR register.

Upon receipt of any instrument of transfer covering such Deposited Securities and the ADR register, Cadeler shall be required to transfer or procure the transfer to the persons listed on the ADR register of the Deposited Securities previously represented by the Cadeler ADSs evidenced by their ADRs.

To the extent the Depository reasonably believes that Cadeler is insolvent as determined by applicable law, or if Cadeler is in receivership, has filed for bankruptcy and/or is otherwise in restructuring, administration or liquidation, and in any such case the Deposited Securities are not listed and publicly traded on a securities exchange after the termination date, or if, for any reason, the Depository believes it is not able to or cannot practicably sell the Deposited Securities promptly and without undue effort, the Depository shall notify the ADR holders of such and thereafter the Deposited Securities shall be deemed to have no value (and such ADR holders shall be deemed to have instructed the Depository that the Deposited Securities have no value). The Depository may, but shall not be obligated to, and the ADR holders irrevocably consent and agree that the Depository may, subject to applicable law, instruct its custodian to deliver all Deposited Securities to Cadeler (acting, as applicable by Cadeler's administrator, receiver, administrative receiver, liquidator, provisional liquidator, restructuring officer, interim restructuring officer, trustee, controller or other entity overseeing the bankruptcy,

insolvency, administration, restructuring or liquidation process) and notify Cadeler that the Deposited Securities are surrendered for no consideration. Subject to applicable law, Cadeler shall promptly accept the surrender of the deposited Cadeler Shares for no consideration or minimum consideration required under applicable law and deliver to the Depositary a written notice confirming (i) the acceptance of the surrender of the Deposited Securities for no consideration and (ii) the cancellation of such deposited Cadeler Shares subject to applicable law.

Thereafter, and irrespective of whether Cadeler has complied with the immediately preceding sentence, the Depositary shall notify ADR holders that their Cadeler ADSs have been cancelled with no or a minimum consideration required under applicable law being payable to them, and the Depositary and its agents shall be discharged from all, and cease to have any, obligations under the Deposit Agreement and the ADRs.

After the termination date, Cadeler shall be discharged from all obligations under the Deposit Agreement except for Cadeler's obligations described under this heading "Effect of Termination" and Cadeler's obligations to the Depositary and its agents.

Limitations on Obligations and Liability to ADR holders

Limits on Cadeler's obligations and the obligations of the Depositary; limits on liability to ADR holders and holders of Cadeler ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, Cadeler or the Depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of Cadeler Shares or other Deposited Securities upon any applicable register and (iii) any applicable fees and expenses described in the Deposit Agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing Deposited Securities and terms of the Deposit Agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the Depositary may establish consistent with the Deposit Agreement or as the Depositary believes are required, necessary or advisable in order to comply with applicable laws, rules and regulations.

The issuance of ADRs, the acceptance of deposits of Cadeler Shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal and delivery of Deposited Securities may be suspended, generally or in particular instances, when the ADR register or any register for Deposited Securities is closed or when any such action is deemed required, necessary or advisable by the Depositary for any reason; provided that the ability to withdraw Cadeler Shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the Depositary or Cadeler's transfer books or the deposit of Cadeler Shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of Deposited Securities.

The Deposit Agreement expressly limits the obligations and liability of the Depositary, the Depositary's custodian or Cadeler and each of Cadeler's and their respective agents, provided, however, that no provision of the Deposit Agreement is intended to constitute a waiver or limitation of any rights that ADR holders or beneficial owners of Cadeler ADSs may have under the U.S. Securities Act or the U.S. Exchange Act, to the extent applicable. The Deposit Agreement provides that each of Cadeler, the Depositary and Cadeler's respective agents will:

- incur or assume no liability (including, without limitation, to holders or beneficial owners) if any present or future law, rule, regulation, fiat, order or decree of Denmark, Norway, the United States or any other country or jurisdiction, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any Deposited Securities, any present or future provision of Cadeler's articles of association, any act of God, war, terrorism, epidemic, pandemic, naturalization, expropriation, currency restrictions, extraordinary market conditions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, cyber, ransomware or malware attack, computer failure or circumstance beyond our, the Depositary's or Cadeler's respective agents' direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the Deposit Agreement or the ADRs provide shall be done or performed by Cadeler, the Depositary or Cadeler's respective agents (including, without limitation, voting);
- incur or assume no liability (including, without limitation, to holders or beneficial owners) by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the Deposit Agreement it is provided shall or may be done or performed or any exercise or failure to exercise discretion under the Deposit Agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;

- incur or assume no liability (including, without limitation, to holders or beneficial owners) if it performs its obligations under the Deposit Agreement and ADRs without gross negligence or willful misconduct;
- in the case of the Depositary and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities the Cadeler ADSs or the ADRs;
- in the case of Cadeler and Cadeler's agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities the Cadeler ADSs or the ADRs, which in Cadeler's or Cadeler's agents' opinion, as the case may be, may involve it in expense or liability, unless indemnity satisfactory to Cadeler or Cadeler's agent, as the case may be against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be requested;
- not be liable (including, without limitation, to holders or beneficial owners) for any action or inaction by it in reliance upon the advice of or information from any legal counsel, any accountant, any person presenting Cadeler Shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information and/or, in the case of the Depositary, Cadeler; or
- may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

Neither the Depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities, the Cadeler ADSs or the ADRs. Cadeler and Cadeler's agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities, the Cadeler ADSs or the ADRs, which in Cadeler's opinion may involve Cadeler in expense or liability, if indemnity satisfactory to Cadeler against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The Depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the Deposit Agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the Deposit Agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The Depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan Chase Bank, N.A. Notwithstanding anything to the contrary contained in the Deposit Agreement or any ADRs, the Depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that any registered ADR holder has incurred liability directly as a result of the custodian having (i) committed fraud or willful misconduct in

the provision of custodial services to the Depository or (ii) failed to use reasonable care in the provision of custodial services to the Depository as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. Furthermore, the Depository shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system. The Depository and the custodian(s) may use third-party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the Deposit Agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders of issuers. Although the Depository and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third-party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services. The Depository shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The Depository has no obligation to inform ADR holders or beneficial owners about the requirements of the laws, rules or regulations or any changes therein or thereto of Denmark, Norway, the United States or any other country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

Additionally, none of the Depository, the custodian or Cadeler, or any of their or Cadeler's respective directors, officers, employees, agents or affiliates shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits or refunds of non-U.S. tax paid against such ADR holder's or beneficial owner's income tax liability. The Depository is under no obligation to provide the ADR holders and beneficial owners, or any of them, with any information about Cadeler's tax status. Neither the Depository nor Cadeler shall incur any liability for any tax or tax consequences that may be incurred by registered ADR holders or beneficial owners on account of their ownership or disposition of ADRs or Cadeler ADSs.

Neither the Depository nor its agents will be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, for the manner in which any voting instructions are given, including instructions to give a discretionary proxy to a person designated by Cadeler, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the Depository is instructed to grant a discretionary proxy, or for the effect of any such vote.

The Depository shall endeavor to effect any sale of securities or other property and any conversion of currency, securities or other property, in each case as is referred to or contemplated in the Deposit Agreement or the form of ADR, in accordance with the Depository's normal practices and procedures under the circumstances applicable to such sale or conversion, but shall have no liability (in the absence of its own willful default or gross negligence or that of its agents, officers, directors or employees) with respect to the

terms of any such sale or conversion, including the price at which such sale or conversion is effected, or if such sale or conversion shall not be practicable, or shall not be believed, deemed or determined to be practicable by the Depositary. Specifically, the Depositary shall not have any liability for the price received in connection with any public or private sale of securities (including, without limitation, for any sale made at a nominal price), the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The Depositary shall not incur any liability in connection with or arising from any failure, inability or refusal by Cadeler or any other party, including any share registrar, transfer agent or other agent appointed by Cadeler, the Depositary or any other party, to process any transfer, delivery or distribution of cash, Cadeler Shares, other securities or other property, including without limitation upon the termination of the Deposit Agreement, or otherwise to comply with any provisions of the Deposit Agreement that are applicable to it.

The Depositary may rely upon instructions from Cadeler or Cadeler's counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The Depositary shall not incur any liability for the content of any information submitted to it by Cadeler or on Cadeler's behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the Deposited Securities, for the validity or worth of the Deposited Securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the Deposit Agreement or for the failure or timeliness of any notice from Cadeler. The Depositary shall not be liable for any acts or omissions made by a successor Depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary. Neither the Depositary nor Cadeler, nor any of their respective agents shall be liable to the other for any indirect, special, punitive or consequential damages (excluding reasonable fees and expenses of counsel) or lost profits, in each case of any form (collectively, "Special Damages") incurred by any of them, or liable to any other person or entity (including, without limitation holders or beneficial owners of ADRs and Cadeler ADSs) for any Special Damages, or any fees or expenses of counsel in connection therewith, whether or not foreseeable and regardless of the type of action in which such a claim may be brought; provided, however, that (i) notwithstanding the foregoing and, for the avoidance of doubt, the Depositary and its agents shall be entitled to reasonable legal fees and expenses in defending against any claim for Special Damages and (ii) to the extent Special Damages arise from or out of a claim brought by a third party (including, without limitation, ADR holders and beneficial owners of Cadeler ADSs) against the Depositary or any of its agents, the Depositary and its agents shall be entitled to full indemnification from Cadeler for all such Special Damages, and reasonable fees and expenses of counsel in connection therewith, unless such Special Damages are found to have been a direct result of the gross negligence or willful misconduct of the Depositary.

Each party to the Deposit Agreement (including, for avoidance of doubt, each ADR holder and beneficial owner) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the Depository and/or Cadeler directly or indirectly arising out of or relating to the Cadeler Shares or other Deposited Securities, the Cadeler ADSs or the ADRs, the Deposit Agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory). No provision of the Deposit Agreement or the ADRs is intended to constitute a waiver or limitation of any rights which an ADR holder or any beneficial owner may have under the U.S. Securities Act or the U.S. Exchange Act, to the extent applicable.

The Depository and its agents may own and deal in any class of securities of Cadeler and Cadeler's affiliates and in ADRs.

Disclosure of Interest in Cadeler ADSs

To the extent that the provisions of or governing any Deposited Securities may require disclosure of or impose limits on beneficial or other ownership of, or interest in, Deposited Securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, ADS holders as ADR holders or beneficial owners agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions Cadeler may provide in respect thereof.

Cadeler reserves the right to instruct ADR holders (and through any such holder, the beneficial owners of Cadeler ADSs evidenced by the ADRs registered in such holder's name) to deliver their Cadeler ADSs for cancellation and withdrawal of the Deposited Securities so as to permit Cadeler to deal directly with the holder thereof as a Cadeler Shareholder and holders and beneficial owners agree to comply with such instructions. Cadeler may also from time to time request ADR holders or beneficial owners to provide information as to the capacity in which such holders own or owned ADRs and regarding the identity of any other persons then or previously having a beneficial interest in such ADRs and the nature of such interest and various other matters. Each ADR holder and beneficial owner agrees to provide any information requested by Cadeler pursuant to the Deposit Agreement.

Books of Depository

The Depository or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the Depository's direct registration system. Registered holders of ADRs may inspect such records at the Depository's office at all reasonable times in accordance with and subject to any restrictions under Danish law, but solely for the purpose of communicating with other ADR holders in the interest of the business of Cadeler or a matter relating to the Deposit Agreement. Such register (and/or any portion thereof) may be closed at any time or from time to time, when deemed expedient by the Depository. Additionally, at the reasonable request of Cadeler, the Depository may close the issuance book portion of

such register solely in order to enable Cadeler to comply with applicable law; provided, that the Depositary shall have no liability and shall be indemnified by Cadeler in such event pursuant to the Deposit Agreement. Under the Deposit Agreement, by holding or owning an ADR or Cadeler ADS or an interest therein, ADR holders and beneficial owners of Cadeler ADSs each irrevocably acknowledge and agree that the identities of such holders and beneficial owners may be, and consent to them being, made available in connection with such register notwithstanding anything to the contrary under Danish law, including, without limitation, any privacy or other right or protection a Cadeler Shareholder, and/or an ADR holder or beneficial owner of Cadeler ADSs, may have, or any restriction or prohibition thereof, under Danish law with respect thereto, and waive any such right, protection, restriction or prohibition thereunder, and agree that the provisions in the Deposit Agreement shall govern all such matters as provided therein.

The Depositary will maintain facilities for the delivery and receipt of ADRs.

Appointment

Under the Deposit Agreement, each registered holder of ADRs and each beneficial owner, upon acceptance of any Cadeler ADSs or ADRs (or any interest in any of them) issued in accordance with the terms and conditions of the Deposit Agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the Deposit Agreement and the applicable ADR or ADRs;
- appoint the Depositary as its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated and/or permitted in the Deposit Agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the Depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the Deposit Agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof, provided that the appointment of the Depositary as attorney-in-fact shall not give any right to the Depositary to exercise any voting rights or to have the Cadeler Shares underlying Cadeler ADSs represented at a general meeting of Cadeler with respect to the Cadeler ADSs of any holder without instructions from such holder as provided in the form of ADR and in the Deposit Agreement; and
- acknowledge and agree that (i) nothing in the Deposit Agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto, nor establish a fiduciary or similar relationship among such parties, (ii) the Depositary, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about Cadeler, ADR holders, beneficial owners and/or their respective affiliates, (iii) the Depositary and its divisions, branches and affiliates may at any time have multiple banking relationships with Cadeler, ADR holders, beneficial

owners and/or the affiliates of any of them, (iv) the Depository and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to Cadeler or ADR holders or beneficial owners and/or their respective affiliates may have interests, (v) nothing contained in the Deposit Agreement or any ADR(s) shall (A) preclude the Depository or any of its divisions, branches or affiliates from engaging in any such transactions or establishing or maintaining any such relationships, or (B) obligate the Depository or any of its divisions, branches or affiliates to disclose any such transactions or relationships or to account for any profit made or payment received in any such transactions or relationships, (vi) the Depository shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the Depository and (vii) notice to an ADR holder shall be deemed, for all purposes of the Deposit Agreement and the ADRs, to constitute notice to any and all beneficial owners of the Cadeler ADSs evidenced by such ADR holder's ADRs. For all purposes under the Deposit Agreement and the ADRs, the ADR holders thereof shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the Cadeler ADSs evidenced by such ADRs.

Governing Law and Jurisdiction

The Deposit Agreement, the Cadeler ADSs and the ADRs are governed by and construed in accordance with the internal laws of the State of New York. In the Deposit Agreement, Cadeler and the Depository have submitted to the non-exclusive jurisdiction of the courts of the State of New York and appointed an agent for service of process on Cadeler's behalf. Any action based on the Deposit Agreement, the Cadeler ADSs, the ADRs or the transactions contemplated therein or thereby may also be instituted by the Depository against Cadeler in any competent court in Denmark, Norway, the United States and/or any other court of competent jurisdiction.

Under the Deposit Agreement, by holding or owning an ADR or Cadeler ADS or an interest therein, ADR holders and beneficial owners each irrevocably agree that any legal suit, action or proceeding against or involving ADR holders or beneficial owners brought by Cadeler or the Depository, arising out of or based upon the Deposit Agreement, the Cadeler ADSs, the ADRs or the transactions contemplated thereby, may be instituted in a state or federal court in New York, New York, irrevocably waive any objection which ADS holders may have to the laying of venue of any such proceeding, and irrevocably submit to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding.

By holding or owning an ADR or Cadeler ADS or an interest therein, ADR holders and beneficial owners each also irrevocably agree that any legal suit, action or proceeding against or involving the Depository and/or Cadeler brought by ADR holders or beneficial owners, arising out of or based upon the Deposit Agreement, the Cadeler ADSs, the ADRs or the transactions contemplated therein or thereby, including, without limitation, claims under the U.S. Securities Act, may be instituted only in the United

States Court for the Southern District of New York (or in the state courts of New York County in New York if either:

- the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, or
- the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable.

To the extent that such claims may be based upon federal law claims, Section 27 of the U.S. Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the U.S. Exchange Act or the rules and regulation thereunder. Furthermore, Section 22 of the U.S. Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Actions by beneficial owners and holders of Cadeler ADSs to enforce any duty of liability created by the U.S. Exchange Act, the U.S. Securities Act or the respective rules and regulations thereunder must be brought in the U.S. District Court for the Southern District of New York. Holders of Cadeler ADSs will not be deemed to have waived Cadeler's compliance with the federal securities laws and regulations promulgated thereunder.

Jury Trial Waiver

Each party to the Deposit Agreement (including, for the avoidance of doubt, each holder and beneficial owner of, and/or holder of interests in, Cadeler ADSs or ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the Depository and/or Cadeler directly or indirectly arising out of, based on or relating in any way to the Cadeler Shares or other Deposited Securities, the Cadeler ADSs or the ADRs, the Deposit Agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory), including any claim under the U.S. federal securities laws.

If Cadeler or the Depository were to oppose a jury trial demand based on such waiver, the court would determine whether the waiver was enforceable under the facts and circumstances of that case in accordance with applicable state and federal law, including whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. The waiver to right to a jury trial in the Deposit Agreement is not intended to be deemed a waiver by any holder or beneficial owner of Cadeler ADSs or the Depository's compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

**DESCRIPTION OF THE RIGHTS OF SHARES REGISTERED UNDER
SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

A. OFFER AND LISTING DETAILS

Cadeler A/S (the “Company”) is a limited liability company organized under the laws of Denmark and registered with the Danish Business Authority under CVR number 31180503.

The Company has a total share capital of DKK 350,929,868, divided into 350,929,868 ordinary shares, each with a nominal value of DKK 1.00 per share. Each share carries one (1) vote at any general meeting of the shareholders of the Company (each such general meeting, a “General Meeting”).

The Company’s shares are listed in Norway on the Oslo Stock Exchange (OSE), and traded under the symbol “CADLR”. The Company’s American Depository Shares (“ADSs”) are listed in the United States on the New York Stock Exchange (NYSE), and traded under the symbol “CDLR”. Each of the Company’s shares has been fully paid up and is registered by Euronext Securities Oslo, a central securities depository in Norway.

The shares have the rights, preferences and restrictions described below under “B. Memorandum and Articles of Association.”

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

The following section summarizes certain material provisions of the Company’s Articles of Association, certain other constitutive documents and relevant Danish corporate law. For further information, see Exhibit 1.1 to this Form 20-F for the Company’s Articles of Association.

General

The objects of the Company are to carry on business in the area of shipping and to develop ship projects. The Company’s objects are set out in Article 1.2 of its Articles of Association.

Powers of the Board of Directors

All members of the Board of Directors have equal voting rights, and all resolutions are passed by a simple majority of votes. However, in the event of a tie, the Chair shall have the casting vote. The Board of Directors forms a quorum when at least a majority of its members is present.

According to the Danish Companies Act, no member of the Board of Directors or the Executive Management may take part in the consideration of any business involving agreements between any member of the Group and the individual, legal actions brought against the individual, or any business involving agreements between any member of the Group and any third party or legal actions brought against any third party, if the individual has a major interest therein that might conflict with the Company’s interests. The Danish Companies Act also includes restrictions on the Company’s ability to grant loans or provide security to any member of the Board of Directors or anyone particularly close to such a member of the Board of Directors. The Company’s ability to grant loans or provide security is subject to a number of conditions including shareholder approval or delegation of authorization to the Board of Directors by the General Meeting.

The remuneration of the Board of Directors must be approved by the Company’s shareholders at the Annual General Meeting.

Rights, restrictions and preferences attaching to the shares

All shares in the Company rank *pari passu* in respect of voting rights, pre-emptive rights, redemption, conversion and restrictions or limitations according to the Articles of Association and eligibility to receive dividend or proceeds in the event of dissolution and liquidation. No shares carry special rights, restrictions or limitations pursuant to the Articles of Association.

If the shareholders at an Annual General Meeting approve a recommendation by the Board of Directors to pay dividends, dividends shall be paid with fully discharging effect for the Company through a central securities depository and an account-holding bank to shareholders registered by Euronext Securities Oslo at the time of payment.

The Board of Directors has been granted authority to distribute extraordinary dividends. This authority is included in Article 9.5 of the Articles of Association of the Company. Hence the Board of Directors has been granted authority to pay interim dividends without obtaining specific approval from the Annual General Meeting. Any Board resolution to pay extraordinary dividends must be accompanied by a balance sheet showing that sufficient funds are available for distribution. An authorized auditor must review the balance sheet.

Each share has a nominal value of DKK 1.00 and carries one (1) vote at General Meetings. The shares are negotiable instruments.

The share capital has been fully paid up and shareholders are not liable to further capital calls by the Company. No shareholder shall be obliged to have his shares redeemed in whole or in part. There is no sinking fund provision in the Articles of Association. There is no provision in the Articles of Association discriminating against any existing or prospective holder of such securities as a result of such shareholder owning a substantial number of shares. The members of the Board of Directors do not stand for reelection at staggered intervals and there is no cumulative voting arrangement.

Changes in shareholders' rights

Changes in the rights of holders of shares require an amendment of the Articles of Association. Unless stricter requirements are made under the Danish Companies Act for any such resolution to be passed, at least 2/3 of the votes cast and of the share capital represented at a General Meeting.

General Meetings

The Company's General Meetings shall be held at a venue in the Capital Region of Denmark. Provided that certain conditions are met, as described in the Articles of Association and in the Danish companies act, the Board of Directors is authorized to resolve, when it considers it appropriate, that the General Meeting is held as a partially electronic or a fully electronic General Meeting. The Annual General Meeting shall be held before the end of April in every year. Extraordinary General Meetings shall be held as resolved by the Board of Directors, or upon the request of the auditors or shareholders representing in total at least 5% of the share capital. The Extraordinary General Meeting shall then be called not later than two weeks after receipt of such request.

General Meetings shall be called by the Board of Directors not earlier than five weeks and not later than three weeks prior to the General Meeting. The notice calling such General Meeting, stating the agenda for the meeting, shall be published on the Company's website: cadeler.com (the contents of this website are not incorporated by reference into this Form 20-F). The notice convening the general meeting shall also be forwarded in writing (by mail or email at the Company's choice) to all shareholders entered in the Register of Shareholders who have so requested.

A shareholder's right to attend and vote at a General Meeting shall be determined by the shares such shareholder owns at the applicable record date. The share record date is one week prior to the General Meeting. Any shareholder who is entitled to attend the General Meeting is required to apply for an admission card to such General Meeting no later than three days prior to the date of such General Meeting. In accordance with the provisions of the Deposit Agreement, the record date and the deadline for submission of voting instructions with respect to shares underlying ADSs may be earlier than that applicable to shares held directly by the applicable holder. ADS holders who wish to attend the General Meeting in Denmark should contact Investor Relations via e-mail to InvestorRelations@cadeler.com.

The shares held by each shareholder at the share record date shall be calculated based on the registration of the shareholder's shares in the Register of Shareholders as well as any notification received by the Company with respect to registration of shares in the Register of Shareholders, which have not yet been entered in the Register of Shareholders.

Ownership restrictions

Other than the Danish rules on screening of certain foreign direct investments (“FDI”) in Denmark (the “Danish FDI Rules”) and applicable international trade and financial sanctions as outlined below, there are no limitations on the right to hold or vote the shares or the ADSs imposed by the laws of Denmark, the Articles of Association of the Company or any other of its constituent documents.

Under the Danish FDI Rules, a screening mechanism applies to foreign direct investments in certain sensitive sectors, if the foreign investor obtains at least 10% ownership or voting rights, or equivalent control by other means. Among such sensitive sectors are companies and entities within critical technology with activities comprised by technologies for industrial energy storage, energy conversion and critical infrastructure in Denmark with activities comprised by energy transport or electricity production, electricity storage capacity as well as transportation and supply of electricity that are necessary to restore or maintain the energy functions that are important for the society. If a contemplated foreign direct investment in Cadeler A/S is considered to fall within the scope of the mandatory screening mechanism, the foreign investor is required to apply for prior authorization with the Danish Business Authority. If a foreign investor fails to comply with the Danish FDI Rules, the Danish Business Authority may impose restrictions, inter alia, ordering a reversal of the investment or suspending the foreign investor’s voting rights. FDI filings, notifications or approvals may under certain circumstances also be required in non-Danish jurisdictions.

International trade and financial sanctions are continually evolving. If applicable, such international trade and financial sanctions may under certain circumstances prevent the possibility of export and import of capital, and affect the remittance of dividends, interest and other payments to the non-resident holders of the shares or the ADSs. In addition, the international trade and financial sanctions may also restrict the rights to acquire, transfer, hold or vote the shares and ADSs. Failure to comply with international trade and financial sanctions can lead to criminal and civil liability.

Change of control

There is no provision in the Articles of Association, nor any other constituent document, that would have an effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company (or any of its subsidiaries).

Ownership disclosure

According to the Danish Capital Markets Act and the Danish Companies Act, shareholders of the Company must notify the Danish Financial Supervisory Authority and the Company of their ownership if they own 5% or more of the voting rights or share capital. Also, shareholders must notify changes in holdings if thresholds of 5%, 10%, 15%, 20%, 25%, 50%, 90% or 100% and 1/3 and 2/3 of the voting rights or share capital are crossed.

Changes in capital

The Company’s Articles of Association do not contain conditions governing changes in the Company’s share capital more stringent than those contained in the Danish Companies Act.

Dated 15 November 2023

CADELER A/S
as Borrower

**THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE
BRANCH**
as Facility Agent

**THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE
BRANCH**
as Green Loan Co-ordinator

THE BANKS, FINANCIAL INSTITUTIONS AND OTHER ENTITIES LISTED HEREIN
as Lenders

THE BANK LISTED HEREIN
as Mandated Lead Arranger

FACILITY AGREEMENT
for a €50,000,000 Loan Facility

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THIS AGREEMENT is dated 15 November 2023 and made between:

- (1) CADELER A/S, a public limited liability company formed under the laws of Denmark (with Danish registration number CVR 31180503) listed on the Oslo Stock Exchange, having its registered office at Arne Jacobsens Allé 7, 7. 2300 Copenhagen S, Denmark (the **Borrower**);
- (2) THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH as green loan co-ordinator (the **Green Loan Co-ordinator**);
- (3) THE BANKS, FINANCIAL INSTITUTIONS AND OTHER ENTITIES listed in Schedule 1 as lenders (the **Original Lenders**);
- (4) THE BANK listed in Schedule 1 as mandated lead arranger (the **Mandated Lead Arranger**);
and
- (5) THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH as facility agent of the other Finance Parties (the **Facility Agent**).

IT IS AGREED as follows:

Section 1 - Interpretation

1 Definitions and interpretation

1.1 Definitions

In this Agreement and (unless otherwise defined in the relevant Finance Document) the other Finance Documents:

Acceptable Bank means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa1 or higher by Moody's Investors Service Limited or a comparable rating from another internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Facility Agent.

Accounting Reference Date means 31 December or such other date as may be approved.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Agent includes any person who may be appointed as such under the Finance Documents.

Approved Valuer means Clarksons, Fearnleys, Pareto and Braemar and any other broker nominated by the Borrower and approved in writing by the Facility Agent.

Article 55 BRRD means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

Auditors means one of PwC, Ernst & Young Godkendt Revisionspartnerselskab, Deloitte or KPMG or another firm nominated by the Borrower and approved in writing by the Facility Agent.

Authorisation means any authorisation, permit, consent, concession, approval, resolution, licence, exemption, filing, waiver, notarisation or registration.

Authority means any national, supranational, regional or local government or governmental, administrative, fiscal, judicial, or government owned body, department, commission, authority,

tribunal, agency or entity, or central bank (or any person, whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank) in a Relevant Jurisdiction.

Available Cash Flow means, in respect of any period and without double counting:

- (a) the aggregate of all earnings, income and revenue received by the Borrower under or pursuant to the Charterer Agreements and any other receipts of whatever kind and from whatever source during such period (which have not been taken into account in a previous calculation of Available Cash Flow); and
- (b) the aggregate of:
 - (i) any Permitted Financial Indebtedness raised by the Borrower during such period; and
 - (ii) any Equity Contributions received by the Borrower during such period;
 - (iii) the amount of interest earned on any of the Borrower's bank accounts during such period;
 - (iv) any dividends or other payments (including payments on the Borrower's cash pool accounts) actually received by the Borrower from any of its Subsidiaries during such period; and
 - (v) any amount standing to the credit of the Borrower's bank accounts and any undrawn amounts under any committed revolving credit facilities of the Borrower as of the commencement of such period;
- (c) less the sum of:
 - (i) the Operating Expenses paid by the Borrower during such period;
 - (ii) the bareboat payments actually paid to any of the Borrower's Subsidiaries during such period; and
 - (iii) the total amount of Tax actually paid by the Borrower in that period; and
- (d) less the sum of:
 - (i) the Borrower's capital expenditure during such period;
 - (ii) any capital injection by the Borrower into any of its Subsidiaries during such period; and
- (e) less the sum of the principal and interest paid by the Borrower (as borrower) in respect of Permitted Financial Indebtedness secured by mortgages over the Ships of the Group during such period,

and excludes: (i) the higher of any cash that is required to be maintained as part of a minimum balance by the Borrower under all of its other Permitted Financial Indebtedness and (ii) the double counting of any liability which might otherwise be included as a result of this definition.

Bail-In Action means the exercise of any Write-down and Conversion Powers.

Bail-In Legislation means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation; and
- (c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

Basel II Accord means the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 as updated prior to, and in the form existing on, the date of this Agreement, excluding any amendment thereto arising out of the Basel III Accord.

Basel II Approach means, in relation to any Finance Party, either the Standardised Approach or the relevant Internal Ratings Based Approach (each as defined in the Basel II Regulations applicable to such Finance Party) adopted by that Finance Party (or any of its Affiliates) for the purposes of implementing or complying with the Basel II Accord.

Basel II Regulation means:

- (a) any law or regulation in force as at the date hereof implementing the Basel II Accord, (including the relevant provisions of CRD IV and CRR) to the extent only that such law or regulation re-enacts and/or implements the requirements of the Basel II Accord but excluding any provision of such law or regulation implementing the Basel III Accord; and
- (b) any Basel II Approach adopted by a Finance Party or any of its Affiliates.

Basel III Accord means, together:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III” other than, in each such case, the agreements, rules, guidance and standards set out in “Basel III: Finalising the post-crisis reforms” published by the Basel Committee on Banking Supervision in December 2017, as amended, supplemented or restated.

Basel III Increased Cost means an Increased Cost which is attributable to the implementation, application or compliance with (a) any Basel III Regulation announced after the date of this Agreement (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates) and/or (b) any introduction, change, clarification or publication relating to any Basel III Regulation (whether in effect at the date of this Agreement or otherwise) to the extent that any Increased Cost attributable to the implementation, application or compliance with such Basel III Regulation is not capable of being calculated with sufficient

accuracy as at or prior to the date of this Agreement, including due to a lack of clarity or detail in such Basel III Regulation or any related information from a banking regulator available on the date of this Agreement.

Basel III Regulation means any law or regulation implementing the Basel III Accord (including the relevant provisions of CRD IV and CRR) save to the extent that such law or regulation re-enacts a Basel II Regulation.

Borrower means the company described as such in Schedule 1 (*The original parties*).

Break Costs means the amount (if any) by which:

- (a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan or Unpaid Sum to the last day of the current Interest Period in respect of the Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

Business Day means a day (other than a Saturday or Sunday or public holiday):

- (a) on which banks are open for general business in Oslo and Singapore; and
- (b) (in relation to any date for payment or purchase of euro) any TARGET Day.

BW Group means BW Altor Pt. Ltd. and its Subsidiaries from time to time.

Change of Control occurs if:

- (a) together, the interests of Mr Andreas Sohmen-Pao, his immediate family and their respective heirs and successors, including trusts or similar arrangements of which they are individual or collective beneficiaries (together, the **Sohmen Family Trust**) and the BW Group cease to beneficially and legally hold (directly or indirectly) 20% or more of the issued share capital of the Borrower or such number of shares in the Borrower as carry 20% or more of the voting rights normally exercisable at a general meeting of the Borrower; or
- (b) any person other than BW Group or Swire Pacific gains control of 25% or more of the issued share capital of the Borrower or such number of shares in the Borrower as carry 25% or more of the voting rights normally exercisable at a general meeting of the Borrower,

provided that:

- (i) there shall be no Change of Control if, together, the interests of the BW Group and the Sohmen Family Trust in the Borrower's voting shares are diluted below 20% as a result of a merger with another party operating in the same industry (including the Merger Transaction); and
- (ii) there shall be no Change of Control if, together, the BW Group and the Sohmen Family Trust have not divested any of their respective voting shares held in the Borrower as of the date of this Agreement,

- (iii) there shall be no Change of Control if, together, the interests held by the BW Group and the Sohmen Family Trust in the voting shares of the Borrower are not less than 17.5%.

Charterer Agreements means any commercial contract between the Borrower and a party which is not a member of the Group (including any charter to a Group Member and any sub-charter from such Group Member to a party which is not a member of the Group) to utilise the Group's Ships and associated services in the renewable energy activities.

Code means the US Internal Revenue Code of 1986.

Commitment means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Schedule 1(*The original parties*) (the **Original Commitment**) and the amount of any other Commitment assigned to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Lender, the amount of any Commitment assigned to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or assigned by it under this Agreement.

Compliance Certificate means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*) or otherwise approved.

Confidential Information means all information relating to the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any Group Member or any of its advisers;
or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any Group Member or any of its advisers,

whether received before or after the date of this Agreement, and in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
 - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of clause 38 (*Confidential Information*); or
 - (B) is identified in writing at the time of delivery as non-confidential by any Group Member or any of its advisers;
or
 - (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (ii) any Funding Rate.

Confidentiality Undertaking means a confidentiality undertaking substantially in a recommended form of the Loan Market Association or in any other form agreed between the Borrower and the Facility Agent.

Constitutional Documents means, in respect of the Borrower, its memorandum and articles of association, bye-laws or other constitutional documents including as referred to in any certificate relating to the Borrower delivered pursuant to Schedule 2 (*Conditions precedent*).

Consolidated EBITDA means, in respect of any Relevant Period, the consolidated profit on ordinary activities of the Group before taxation for the twelve (12) month period ending at the end of such Relevant Period, but:

- (a) adjusted to exclude interest receivable and interest payable and other similar income or costs to the extent not already excluded;
- (b) adjusted to exclude any gain or loss realised on the disposal of fixed assets (whether tangible or intangible);
- (c) **after** adding back depreciation and amortisation charged which relates to such period;
- (d) adjusted to exclude any exceptional, one-off, non-recurring or extraordinary items; and
- (e) after deducting any profit arising out of the release of any provisions against a liability or charge and adding back any provision relating to long term assets or contracts

as shown in the then most recent Financial Statements relevant to the twelve (12) month period ending at the end of such Relevant Period.

CRD IV means the directive 2013/36/EU of the European Union on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

CRR means the regulation 575/2013 of the European Union on prudential requirements for credit institutions and investment firms.

Debt Service for any period means (without double counting):

- (a) (i) the amount of interest on the Loan which is payable under clause 9 (*Interest*); (ii) each principal amount which is scheduled to be repaid under clause 6 (*Repayment*), and (iii) fees, costs and expenses which are payable under clauses 12 (*Fees*) and 17 (*Costs and expenses*), in each case during that period; and
- (b) (i) the amount of interest payable by the Borrower (as borrower) in respect of any other Permitted Financial Indebtedness (other than any Permitted Financial Indebtedness secured by mortgages over the Ships of the Group) and (ii) each principal amount which is scheduled to be repaid by the Borrower (as borrower) in respect of any other Permitted Financial Indebtedness (other than any Permitted Financial Indebtedness secured by mortgages over the Ships of the Group), in each case during that period.

Debt Service Coverage Ratio for any date means the ratio of (a) Available Cash Flow to (b) Debt Service due for the relevant period preceding (historical).

Default means an Event of Default or any event or circumstance specified in clause 25 (*Events of Default*) which would (with the expiry of a grace period, the lapse of time, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

Default Notice means a notice from the Facility Agent to the Borrower confirming an Event of Default has occurred.

Disruption Event means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents;
or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the reasonable control of, the Party whose operations are disrupted.

EEA Member Country means any member state of the European Union, Iceland, Liechtenstein and Norway.

Eligible Institution means any Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower and which, in each case, is not a Group Member.

Environmental and Social Standards means those international environmental and social standards applicable to the Group, including:

- (a) the World Bank/IFC Environmental, Health and Safety Guidelines (April 2007), including the General EHS guidelines (April 2007) and applicable Industry Sector Guidelines, being the Guidelines for Offshore Oil and Gas Development (June 2015), and the Guidelines for Shipping (April 2007);
- (b) the IFC Performance Standards (January 2012);
and
- (c) IMO / MARPOL / SOLAS and ILO regulations pertaining to environmental protection, health and safety and security,

provided that in the event of any ambiguity or conflict between any of these standards or between any of these standards and any Environmental Law, the most stringent applicable requirement shall apply to the extent this is lawful.

Environmental Claims means:

- (a) enforcement, clean-up, removal or other governmental or regulatory orders or claims instituted or made pursuant to any Environmental Law or Environmental Licence or resulting from a Spill; or
- (b) any claim made by any other person relating to a Spill.

Environmental Incident means any Spill in circumstances where the Group Member may be liable for Environmental Claims arising from the Spill (other than Environmental Claims arising and fully satisfied before the date of this Agreement).

Environmental Laws means all applicable laws, regulations, conventions, rules or treaties of any governmental authority or agency or any other regulatory or other governmental body in any

relevant jurisdiction concerning pollution or protection of human health or the conditions of the workplace or the environment, and includes the Environmental and Social Standards.

Environmental Licence means any Authorisation required at any time by any Environmental Law for the operation of the Group's business.

Equity Contributions means amounts contributed by way of equity subscriptions or any other form that may be approved.

External Reviewer means Cicero or any replacement external reviewer being a member firm of Deloitte, Ernst & Young Global Limited, KPMG International Limited, PricewaterhouseCoopers International Limited or DNV or any other person approved by the Majority Lenders as may be appointed from time to time by the Borrower, provided that any such replacement is:

- (a) an independent professional services firm, environmental consultancy firm or ratings agency which is regularly engaged in the application and monitoring of ESG standards and ESG calculation methodologies; and
- (b) not an Affiliate of the Borrower.

EU Bail-In Legislation Schedule means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

EURIBOR means, in relation to any Loan:

- (a) the applicable Screen Rate as of the Specified Time for euro and for a period equal in length to the Interest Period of that Loan; or
- (b) as otherwise determined pursuant to Clause 11.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, EURIBOR shall be deemed to be zero.

Event of Default means any event or circumstance specified as such in clause 25 (*Events of Default*), provided that no Event of Default shall occur prior to the delivery of a Default Notice to the Borrower by the Facility Agent.

Facility means the term loan facility made available under this Agreement as described in clause 2 (*The Facility*).

Facility Office means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for Tax purposes.

Facility Period means the period from and including the date of this Agreement to and including the date on which the Total Commitments have reduced to zero and all indebtedness of the Borrower under the Finance Documents has been fully paid and discharged.

Fair Market Value means the valuation of a Ship, as determined pursuant to the most recent Valuation Report obtained by the Borrower, dated within thirty (30) days of the end of each Financial Year.

FATCA means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction.

Fee Letter means any letter or letters between a Finance Party (or Finance Parties) and the Borrower setting out any of the fees referred to in clause 12 (*Fees*) and includes any agreement setting out any fees payable to a Finance Party under any other Finance Document.

Final Repayment Date means, subject to clause 31.8 (*Business Days*), the date falling five (5) years after the date of this Agreement.

Finance Documents means this Agreement, any Fee Letter, any Utilisation Request, any Increase Confirmation and any other document designated as such in writing by the Facility Agent and the Borrower.

Finance Lease means any lease or hire purchase contract, a liability under which would, in accordance with GAAP, be treated as a balance sheet liability (other than a lease or hire purchase contract which would have been treated as an operating lease).

Finance Party means the Facility Agent, the Green Loan Co-ordinator, the Mandated Lead Arranger or a Lender.

Financial Half Year means the semi-annual accounting period of the Borrower ending on or about the date falling six (6) Months after the Accounting Reference Date in each year.

Financial Indebtedness means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease (excluding any charter contracts in respect of ships chartered by a member of the Group for less than twenty-five (25) months);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under GAAP);

- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution (excluding any performance guarantees, advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Group);
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the latest Final Repayment Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply; and
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

Financial Year means the annual accounting period of the Borrower ending, in the case of the Borrower, on or about the Accounting Reference Date in each year.

First Repayment Date means, subject to clause 31.8 (*Business Days*), the date falling four (4) years after the date of this Agreement.

Funding Rate means any individual rate notified by a Lender to the Facility Agent pursuant to clause 11.3(a)(ii) (*Cost of funds*).

GAAP means generally accepted accounting principles and standards in Denmark (including IFRS).

Green Financing Framework means the Borrower's green financing framework which is in compliance with the Green Loan Principles with a Second Party Opinion (in each case as updated from time to time).

Green Loan Compliance Certificate means a certificate substantially in the form set out in Schedule 7 (*Form of Green Loan Compliance Certificate*) or otherwise approved.

Green Loan Criteria means:

- (a) at least 95% of consolidated annual turnover of the Borrower is derived from offshore renewable energy activities;
- (b) no turnover of the Borrower is derived from the commissioning of new or existing oil and gas installations;
and
- (c) at least 95% of capital expenditures of the Borrower are aligned with the green project categories in the Green Finance Framework,

provided that, if the Merger Transaction is completed, the Green Loan Criteria will not take into account the two (2) NG2500x vessels named m.v. "Leviathan and m.v. Hydra, each held for sale by Eneti Inc or its Subsidiaries.

Green Loan Principles means the Green Loan Principles published by the Loan Market Association and Asia-Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA) in February 2023, as updated from time to time.

Group means the Borrower and its Subsidiaries for the time being and, for the purposes of Clause 19.1 (*Financial statements*) and Clause 21 (*Financial covenants*), any other entity required to be treated as a subsidiary in its consolidated accounts in accordance with GAAP and/or any applicable law.

Group Member means any entity which is part of the Group.

Group Net Debt means, at any time, the aggregate amount of all outstanding obligations of the Group for or in respect of Financial Indebtedness (excluding any Treasury Transaction (and, when calculating the value of a Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account)) at that time but:

- (a) including, in the case of Finance Leases only, their capitalised value;
and
- (b) deducting the aggregate amount of Cash and Cash Equivalent Investments (as such term is defined in clause 21.1 (*Financial definitions*)) held by the Group at that time.

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

HSBC Group means HSBC Holdings PLC, its Subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches and member or office of the HSBC Group shall be construed accordingly.

IFRS means International Accounting Standards, International Financial Reporting Standards and related interpretations, as amended, supplemented, issued or adopted from time to time by the International Accounting Standards Board to the extent applicable to the relevant financial statements.

Illicit Origin means any origin which is illicit or fraudulent, including without limitation, drug trafficking, corruption, organised criminal activities, terrorism, money laundering or fraud.

Impaired Agent means the Facility Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Facility Agent otherwise rescinds or repudiates a Finance Document;
or
- (c) an Insolvency Event has occurred and is continuing with respect to the Facility Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error;
or
 - (B) a Disruption Event;
and

payment is made within three (3) Business Days of its due date; or

- (ii) the Facility Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

Increased Costs has the meaning given to that term in paragraph (b) of clause 14.1 (*increased costs*).

Increase Confirmation means a confirmation substantially in the form set out Schedule 9 (*Form of Increase Confirmation*).

Increase Effective Date means the date which the Borrower confirms to the Facility Agent as being the Increase Effective Date in the Increase Confirmation.

Increase Lender has the meaning given to that term in clause 2.2 (*increase*).

Indemnified Person means each Finance Party.

Insolvency Event in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due and in the case of a Finance Party, such Finance Party is under a public insolvency, bankruptcy or governmental proceeding or process that is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof;
- (c) makes a general arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a public proceeding seeking a judgment of insolvency or bankruptcy or any other equivalent relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other equivalent relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition is public and instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for equivalent relief or the making of an order for its winding up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the public appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not

to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);

- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other enforcement action or legal process levied, enforced, taken or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Intercreditor Deed has the meaning given to such term in paragraph (g) of the definition of Permitted Financial Indebtedness.

Interest Payment means the aggregate amount of interest that is, or is scheduled to become, payable under any Finance Document.

Interest Period means, in relation to the Loan (or any part of the Loan), each period determined in accordance with clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 9.3 (*Default interest*).

Interpolated Screen Rate means, in relation to the Loan or any Unpaid Sum, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period,

each as of 11:00am on the relevant Quotation Day.

Last Availability Date means:

- (a) in relation to the Original Commitment, the earlier to occur of (i) the date on which the Facility is drawn down or the date on which the Total Commitments are cancelled, in full and (ii) the date falling six (6) Months after the date of this Agreement; or
- (b) in relation to the other Commitment as at the Increase Effective Date, the earlier to occur of (i) the date on which Facility is drawn down or the date on which the Total Commitments are cancelled, in full and (ii) the date falling six (6) Months after the date of the Increase Effective Date.

or such later date as may be agreed between the Borrower and the Facility Agent (acting on the instructions of all the Lenders).

Legal Opinion means any legal opinion delivered to the Facility Agent under clause 4 (*Conditions of Utilisation*).

Legal Reservations means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Act 1980 and the Foreign Limitation Periods Act 1984, the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction;
and
- (d) any other matters which are set out as reservations or qualifications as to matters of law of general application in any Legal Opinion.

Lender means:

- (a) any Original Lender;
and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a “Lender” in accordance with clause 26 (*Changes to the Lenders*),

which in each case has not ceased to be a Lender as such in accordance with the terms of this Agreement.

Loan means the loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

Losses means any costs, expenses, payments, charges, losses, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, judgments, orders, other sanctions and outgoings of whatsoever nature (including, without limitation, Taxes, stamp duties and other duties or charges, registration fees, repair costs, insurance premiums, fees of insurance advisers and technical consultants, printing costs, as well as reasonable out-of-pocket expenses and fees and disbursements of legal counsel, together with any value added or similar tax payable in respect thereof).

Majority Lenders means a Lender or Lenders whose Commitments aggregate more than 66 2/3 per cent of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3 per cent of the Total Commitments immediately prior to that reduction).

Mandatory Prepayment Event means any event or circumstance which (following the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of them) obliges the Borrower to prepay the Loan (other than a partial prepayment only) pursuant to the terms of this Agreement.

Margin means:

- (a) from the date of this Agreement up to and including the date falling three (3) years after the date of this Agreement, four per cent (4%);
and
- (b) thereafter, four point two five per cent (4.25%),

subject in each case to clause 24.1(c) (*Consequences of breach of green loan provisions*).

Material Adverse Effect means a material adverse effect on:

- (a) the operations, property, condition (financial or otherwise), prospects of the Group taken as a whole;
or
- (b) the ability of the Borrower to perform its obligations under any of the Finance Documents;
or
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of any Security Interest granted or purporting to be granted pursuant to any of, the Finance Documents or any of the rights or remedies of any Finance Party under any of the Finance Documents.

Material Subsidiary means a Subsidiary of the Borrower that has gross assets which represent at least 5% of the gross assets of the Group calculated on a consolidated basis.

Merger Transaction means the proposed combination transaction pursuant to which Eneti Inc. will become a Subsidiary of the Borrower.

Month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in the calendar month in which that period is to end (if there is one) or on the immediately preceding Business Day (if there is not);
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

New Lender has the meaning given to that term in clause 26 (*Changes to the Lenders*).

Operating Expenses means the management, operating and administrative expenses and other overheads payable by the Borrower in connection with the management, operation and administration of the business of the Borrower including, without limitation, management fees, insurance premiums, agency fees and bank guarantee fees payable.

Original Financial Statements means the audited financial statements of the Borrower for its Financial Year ended 31 December 2022.

Original Jurisdiction means, in relation to the Borrower, the jurisdiction under whose laws it is incorporated as at the date of this Agreement.

Original Lenders means the entities described as such in Schedule 1 (*The original parties*).

Participating Member State means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Party means a party to this Agreement.

Permitted Financial Indebtedness means any:

- (a) Financial Indebtedness incurred under, or contemplated by, the Finance Documents;

- (b) Financial Indebtedness (including any guarantees to be delivered by the Borrower in respect of such Financial Indebtedness) that is anticipated to be incurred pursuant to the financing plan dated 12 July 2023 (as supplemented on 6 November 2023) and approved by the Original Lenders on or prior to the date of this Agreement;
- (c) subject to clause 23.5(d)(iv) (*Loans and Guarantees and Financial Indebtedness*), Financial Indebtedness by the Borrower owed to another Group Member or by a Group Member to the Borrower (as applicable) on an unsecured basis, including any cash pooling arrangements on a Group wide basis for cash management purposes of the Group;
- (d) Financial Indebtedness arising under any Treasury Transactions entered into for the hedging of actual or projected real exposure arising in the ordinary course of trade of a member of the Group and not for speculative purposes;
- (e) other than in the case of paragraph (b) above, any Financial Indebtedness (including, for greater certainty, any guarantees in respect of Financial Indebtedness of the other members of the Group) that is incurred by the Borrower at any time, provided that the total consolidated Financial Indebtedness of the Group (excluding the Financial Indebtedness under this Agreement and under any Treasury Transactions and less any amounts standing to the credit of any debt service retention accounts reserved for payments of instalments and interest on any Financial Indebtedness) does not at any time exceed 65% of the aggregate of (A) the construction price of each of the newbuilding Ships ordered by any Group Member, but not yet delivered by the relevant yard; and (B) the Fair Market Value of the Ships as latest determined under this Agreement, and provided further that the incurrence of any such Financial Indebtedness shall (x) be subject to, and in accordance with, clause 23.5 (*Loans and Guarantees and Financial Indebtedness*); (y) the amount of such Financial Indebtedness at any time shall not exceed the total commitment (howsoever described) of such Financial Indebtedness at the time such Financial Indebtedness was first incurred; and (z) the amount of any Financial Indebtedness in respect of which a guarantee has been delivered by the Borrower does not exceed the total commitment (howsoever described) of such Financial Indebtedness at the time such Financial Indebtedness was first incurred; and
- (f) any other Financial Indebtedness to be incurred, which is:
 - (i) approved in advance by all the Lenders;
and
 - (ii) subordinate to the rights of the Finance Parties under the Finance Documents pursuant to an intercreditor deed (in form and substance satisfactory to all the Lenders) to be entered into between, among others, the financiers in relation to such Financial Indebtedness and the Facility Agent (the **Intercreditor Deed**).

Pollutant means and includes crude oil and its products, any other polluting, toxic or hazardous substance and any other substance whose release into the environment is regulated or penalised by Environmental Laws.

Prohibited Payment means any offer, gift, payment, promise to pay, commission, fee, loan or other consideration which would constitute bribery or be contrary to any anti-corruption laws under any law of any Relevant Jurisdiction.

Prohibited Person means a person that is:

- (a) listed on, or owned by, or controlled by, one or more persons listed on, or acting on behalf of a person listed on, any Sanctions List;
- (b) a national of, ordinarily resident in, located in or incorporated under the laws of, or owned (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions, including, without limitation, currently, the Crimea region, the so-called Donetsk

People's Republic and Luhansk People's Republic, Cuba, Iran, North Korea and Syria(each a **Sanctioned Country**); or

- (c) otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities).

Quasi-Security has the meaning given to that term in clause 23.4(a)

Quotation Day means, in relation to any period for which an interest rate is to be determined, two TARGET Days before the first day of that period unless market practice differs in the Relevant Market, in which case the Quotation Day will be determined by the Facility Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

Relevant Jurisdiction means, in relation to the Borrower:

- (a) its Original Jurisdiction;
and
- (b) any jurisdiction where it conducts its business.

Relevant Market means the European interbank market.

Relevant Period has the meaning given to that term in clause 21.1 (*Financial definitions*).

Repeating Representations means each of the representations set out in clauses 18.1 (*Status*) to 18.6 (*Governing law and enforcement*), 18.7 (*No misleading information*), 18.8 (*Original Financial Statements*), 18.9 (*Pari passu ranking*), 18.10 (*No insolvency*), 18.14 (*No Default*), 18.15 (*No proceedings*), 18.16 (*No breach of laws*), 18.17 (*Environmental matters*), 18.18 (*Anti-corruption law and anti-money laundering laws*), 18.19 (*Financial Indebtedness*), 18.21 (*Accounting reference date*) to 18.23 (*Sanctions*) and 18.25 (*Green Loan Criteria*)

Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian appointed in accordance with the terms of the Finance Documents.

Resolution Authority means any body which has authority to exercise any Write-down and Conversion Powers.

Sanctions means the economic, trade or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority.

Sanctions Advisory means the Sanctions Advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities issued May 14, 2020 by the US Department of the Treasury, Department of State and Coast Guard, as may be amended or supplemented, and any similar future advisory.

Sanctions Authority means any of:

- (a) the United States government;
- (b) the United Nations;
- (c) the United Kingdom;
- (d) the Singapore government;
- (e) the Hong Kong Special Administrative Region;
or

- (f) the European Union (including the council of the European Union or the government of any of its member states),

and includes any government entity of any of the above, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (OFAC), the United States Department of State, the United Nations Security Council, His Majesty's Treasury (HMT), the Hong Kong Monetary Authority and the Monetary Authority of Singapore.

Sanctions List means:

- (a) the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC;
- (b) the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT;
or
- (c) any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

Security Interest means a mortgage, charge, pledge, lien, assignment, trust, hypothecation or other security interest of any kind securing any obligation of any person or any other agreement or arrangement having a similar effect.

Second Party Opinion means a report to be prepared by the External Reviewer confirming, amongst other things, the compliance of the Green Financing Framework with the Green Loan Principles which is publicly available on the Borrower's website.

Screen Rate means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate with the consent of the Borrower.

Ships means the ships wholly and directly owned by each of the Group Members and **Ship** means any one of them.

Specified Time means a day or time determined in accordance with Schedule 6 (*Timetables*).

Spill means any actual spill, release or discharge of a Pollutant into the environment.

Subsidiary of a person means any other person:

- (a) directly or indirectly controlled by such person;
or
- (b) of whose dividends or distributions on ordinary voting share capital such person is beneficially entitled to receive more than fifty per cent (50%),

and a person is a "**wholly-owned Subsidiary**" of another person if it has no members except that other person and that other person's wholly-owned Subsidiaries or persons acting on behalf of that other person or its wholly-owned Subsidiaries.

Sustainability Report means the Borrower's statutory reporting on corporate responsibility in accordance with the Danish Financial Statements Act as amended and/or supplemented from time to time.

Swire Pacific means Swire Pacific Limited and its Subsidiaries from time to time.

T2 means the real time gross settlement system operated by the Eurosystem, or any successor system.

TARGET Day means any day on which T2 is open for the settlement of payments in euro.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and “**Taxation**” shall be construed accordingly.

Total Commitments means the aggregate of the Commitments, being fifty million euros (€50,000,000) at the date of this Agreement (as may be increased or reduced in accordance with this Agreement).

Transfer Certificate means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Facility Agent and the Borrower.

Transfer Date means, in relation to an assignment pursuant to a Transfer Certificate, the later of:

- (a) the proposed Transfer Date specified in the Transfer Certificate;
and
- (b) the date on which the Facility Agent executes the Transfer Certificate.

Treasury Transaction means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

UK Bail-In Legislation means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolutions of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

Unpaid Sum means any sum due and payable but unpaid by the Borrower under the Finance Documents.

US means the United States of America.

US Tax Obligor means the Borrower if it is resident for tax purposes in the US.

Utilisation means the making of the Loan.

Utilisation Date means the date on which the Utilisation is made.

Utilisation Request means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

Valuation Report means a valuation report issued by an Approved Valuer at the cost of the Borrower, addressed to the Facility Agent in its capacity as such (or to the Borrower provided that such valuation is accompanied by full reliance and disclosure language in favour of the Finance Parties) stating the valuation in Euros (or its equivalent in any other currency), prepared: (i) without physical inspection of the relevant Ship(s); (ii) on the basis of a sale for prompt delivery for a price payable in full in cash on delivery at arm’s length on normal commercial terms between a willing buyer and a willing seller; and (iii) without taking into account the benefit (but taking into account the burden) of any charter commitment.

VAT means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;

- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

Write-down and Conversion Powers means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) In relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation;
and
- (c) in relation to any UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers.

WTIVs means four (4) wind turbine installation vessels with hull nos. N1063, N1064, N1130 and N1131 currently under construction at COSCO Shipping (Qidong) Offshore Co., Ltd. and to be owned by a member of the Group.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in any of the Finance Documents to:
 - (i) Sections, clauses and Schedules are to be construed as references to the Sections and clauses of, and the Schedules to, the relevant Finance Document and references to a Finance Document include its Schedules;
 - (ii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as it may from time to time be amended, restated, novated or replaced, however fundamentally;
 - (iii) words importing the plural shall include the singular and vice versa;
 - (iv) a time of day is to Singapore time;
 - (v) any person includes its successors in title, permitted assignees or transferees;

- (vi) a document **in agreed form** means:
- (A) where a Finance Document has already been executed by all of the relevant parties, such Finance Document in its executed form;
 - (B) prior to the execution of a Finance Document, the form of such Finance Document separately agreed in writing between the Facility Agent and the Borrower as the form in which that Finance Document is to be executed;
- (vii) **approved by the Majority Lenders** or any **consent, opinion** or **approval** of the Facility Agent means approved in writing by the Facility Agent acting on the instructions of the Majority Lenders and **approved by all the Lenders** or any **consent, opinion** or **approval** of the Facility Agent (acting on the instructions of the Lenders) means approved in writing by the Facility Agent acting on the instructions of all the Lenders (in either case on such conditions as they may respectively impose) and otherwise **approved** means approved in writing by the Facility Agent acting on the instructions of the Majority Lenders (unless expressly stated otherwise) and **approval** and **approve** shall be construed accordingly;
- (viii) **assets** includes present and future properties, revenues and rights of every description;
- (ix) **control** of an entity means:
- (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (1) cast, or control the casting of, more than fifty per cent (50%) of the maximum number of votes in any vote of that entity; or
 - (2) appoint or remove all, or the majority, of the directors or other equivalent officers of that entity; or
 - (3) give directions with respect to the operating and financial policies of that entity with which the directors or other equivalent officers of that entity are obliged to comply; and/or
 - (B) the holding beneficially of more than fifty per cent (50%) of the issued share capital of that entity (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital) (and, for this purpose, any Security Interest over share capital shall be disregarded in determining the beneficial ownership of such share capital);
- and **controlled** shall be construed accordingly;
- (x) a Lender's "**cost of funds**" in relation to its participation in the Loan (or any relevant part of it) is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in the Loan (or any relevant part of it) for a period equal in length to the Interest Period for the Loan (or the relevant part of it) and the Facility Agent's "**cost of funds**" is a reference to the average cost (determined either on an actual or notional basis) which the Facility Agent would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount referred to in paragraph (b) of clause 31.4 (*Clawback and prefunding*);
- (xi) the **equivalent** of an amount specified in a particular currency (**thespecified currency amount**) shall be construed as a reference to the amount of the other

relevant currency which can be purchased with the specified currency amount in the London foreign exchange market at or about 11 a.m. on the date the calculation falls to be made for spot delivery, as conclusively determined by the Facility Agent (with the relevant exchange rate of any such purchase being **the Facility Agent's spot rate of exchange**);

- (xii) a **government entity** means any government, state or agency of a state;
- (xiii) a **group of Lenders** or a **group of Finance Parties** includes all the Lenders or (as the case may be) all the Finance Parties;
- (xiv) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (xv) a n **obligation** means any duty, obligation or liability of any kind;
- (xvi) in the **opinion of the Facility Agent** or in **substance satisfactory to the Facility Agent** or similar or equivalent expressions means in the opinion of the Facility Agent acting on the instructions of the Majority Lenders or, where expressly specified, all of the Lenders (on such conditions as they may respectively impose);
- (xvii) something being in the **ordinary course of business** of a person means something that is in the ordinary course of that person's current day-to-day operational business (and not merely anything which that person is entitled to do under its Constitutional Documents);
- (xviii) **pay** or **repay** includes by way of set-off, combination of accounts or otherwise;
- (xix) a **person** includes any individual, firm, company, corporation, government entity or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (xx) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and, in relation to any Lender, includes (without limitation) any Basel II Regulation or Basel III Regulation applicable to that Lender;
- (xxi) **right** means any right, privilege, power or remedy, any proprietary interest in any asset and any other interest or remedy of any kind, whether actual or contingent, present or future, arising under contract or law, or in equity;
- (xxii) **trustee, fiduciary** and **fiduciary duty** has in each case the meaning given to such term under applicable law;
- (xxiii)(i) the **liquidation, winding up, dissolution, or administration** of a person or (ii) a **receiver** or **administrative receiver** or **administrator** in the context of insolvency proceedings or security enforcement actions in respect of a person shall be construed so as to include any equivalent or analogous proceedings or any equivalent and analogous person or appointee (respectively) under the law of the jurisdiction in which such person is established or incorporated or any jurisdiction in which such person carries on business including (in respect of proceedings) the seeking or occurrences of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors; and
- (xxiv) a provision of law is a reference to that provision as amended or re-enacted.

- (b) The determination of the extent to which a rate is “for a period equal in length” to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
- (c) Where in this Agreement a provision includes a monetary reference level in one currency, unless a contrary indication appears, such reference level is intended to apply equally to its equivalent in other currencies as of the relevant time for the purposes of applying such reference level to any other currencies.
- (d) Section, clause and Schedule headings are for ease of reference only.
- (e) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (f) A Default (other than an Event of Default) is “continuing” if it has not been remedied (within the relevant period specified in clause 25 *Events of Default*) for such Default) or waived and an Event of Default is “continuing” if it has not been remedied or waived.

1.3 Currency symbols and definitions

- (a) \$, US\$, USD and dollars denote the lawful currency of the United States of America.
- (b) €, EUR and euro denote the single currency of the Participating Member States.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document for the benefit of a Finance Party or another Indemnified Person, a person who is not a party to a Finance Document has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or enjoy the benefit of any term of the relevant Finance Document.
- (b) Any Finance Document may be rescinded or varied by the parties to it without the consent of any person who is not a party to it (unless otherwise provided by this Agreement).
- (c) An Indemnified Person who is not a party to a Finance Document may only enforce its rights under that Finance Document through a Finance Party and if and to the extent and in such manner as the Finance Party may determine.

1.5 Finance Documents

Where any other Finance Document provides that this clause 1.5 shall apply to that Finance Document, any other provision of this Agreement which, by its terms, purports to apply to all or any of the Finance Documents and/or the Borrower, shall apply to that Finance Document as if set out in it but with all necessary changes.

1.6 Conflict of documents

The terms of the Finance Documents (other than as relates to the creation and/or perfection of security) are subject to the terms of this Agreement and, in the event of any conflict between any provision of this Agreement and any provision of any Finance Document (other than in relation to the creation and/or perfection of security or otherwise as expressly provided in this Agreement) the provisions of this Agreement shall prevail.

Section 2 - The Facility

2 The Facility

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower a term loan facility in an aggregate amount equal to the Total Commitments.

2.2 Increase

- (a) Subject to the terms of this Agreement, the Borrower may, at any time and from time to time, by delivering a written notice substantially in the form set out in Schedule 9 (the “**Increase Confirmation**”) to the Facility Agent, request that the Total Commitments be increased (and the Commitments shall be so increased), in an aggregate amount of up to €50,000,000 (the “**Increase Commitments**”), provided that:
- (i) the Increase Commitments will be assumed by one or more Eligible Institutions (each an “**Increase Lender**”) each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the Increase Commitments which it is to assume, as if it had been an Original Lender in respect of those Commitments;
 - (ii) the Borrower and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Borrower and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the Increase Commitments which it is to assume;
 - (iii) each Increase Lender shall become a Party as a “**Lender**” and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;
 - (iv) the Commitments of the other Lenders shall continue in full force and effect;
 - (v) any increase in the Commitments shall take effect on the date specified by the Borrower in the notice mentioned above or any later date on which the Facility Agent executes an otherwise duly completed Increase Confirmation delivered to it by the relevant Increase Lender; and
 - (vi) no Default is continuing or might reasonably be expected to result from any increase in the Commitments.
- (b) The Facility Agent shall, subject to paragraph (c) below, as soon as reasonably practicable after receipt by it of a duly completed Increase Confirmation appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Increase Confirmation.
- (c) The Facility Agent shall only be obliged to execute an Increase Confirmation delivered to it by an Increase Lender once (i) it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender; and (ii) unless that Increase Lender is an Original Lender, it has received from that Increase Lender, for its own account, a fee of \$5,000.

- (d) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.
- (e) The Borrower shall promptly on demand pay the Facility Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under this clause 2.2.
- (f) Neither the Facility Agent nor any Lender shall have any obligation to find an Increase Lender and in no event shall any Lender whose Commitment is replaced by an Increase Lender be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents.
- (g) Clause 26.5 (*Limitation of responsibility of Existing Lenders*) shall apply mutatis mutandis in this clause 2.2 in relation to an Increase Lender as if references in that clause to:
 - (i) an “**Existing Lender**” were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the “**New Lender**” were references to that “Increase Lender”;
and
 - (iii) a “**re-transfer**” and “**re-assignment**” were references to respectively a “**transfer**” and “**assignment**”.

2.3 Finance Parties’ rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from the Borrower is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by the Borrower which relates to a Finance Party’s participation in the Facility or its role under a Finance Document (including any such amount payable to the Facility Agent on its behalf) is a debt owing to that Finance Party by the Borrower.
- (c) A Finance Party may, except as specifically provided in the Finance Documents (including clause 29.2 (*Finance Parties acting together*)), separately enforce its rights under or in connection with the Finance Documents.

3 Purpose

3.1 Purpose

The Borrower shall apply all amounts borrowed under the Facility to:

- (a) partially fund the wind installation activities of the Borrower and its Subsidiaries, including payments on the construction of the WTIVs and the operation and crane update of the Group’s existing O-class vessels;

- (b) fully or partially fund the payment of (A) any fees due and payable under clause 12 (*Fees*) and (B) the costs and expenses of legal advisers and other consultants and advisers and all other costs payable under clause 17.1 (*Transaction Expenses*) incurred in connection with the preparation of the Finance Documents; and
- (c) general corporate purposes of the Group.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4 Conditions of Utilisation

4.1 Initial conditions precedent

The Borrower may not deliver the Utilisation Request and the Loan shall not become available for borrowing under this Agreement (and the Lenders will not be obliged to comply with clause 5.4 (*Lenders' participation*) in relation to the Utilisation) unless and until the Facility Agent, or its duly authorised representative, has received all of the documents and evidence listed in Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Facility Agent (acting on the instructions of all the Lenders).

4.2 Notice of satisfaction of conditions

The Facility Agent shall notify the Lenders and the Borrower as soon as practicable after receipt by it of the documents and evidence referred to in this clause 4 in form and substance satisfactory to the Facility Agent (acting on the instructions of all the Lenders). Other than to the extent that a Lender notifies the Facility Agent in writing to the contrary before the Facility Agent gives any such notification, the Lenders authorise (but do not require) the Facility Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.3 Further conditions precedent

The Lenders will only be obliged to comply with clause 5.4 (*Lenders' participation*) if:

- (a) on the date of the Utilisation Request and on the proposed Utilisation Date, no Default or Mandatory Prepayment Event is continuing or would result from the proposed Utilisation; and
- (b) on the date of the Utilisation Request and on the proposed Utilisation Date, all of the representations set out in clause 18 (*Representations*) are true.

4.4 Conditions subsequent

The Borrower covenants and undertakes that it shall, as soon as possible and no later than 15 December 2023, deliver to the Facility Agent the following:

- (a) a copy of the Green Financing Framework;
and
- (b) a copy of the Second Party Opinion,

in each case in form and substance satisfactory to the Facility Agent (acting on the instructions of all the Lenders).

4.5 Waiver of conditions precedent

The conditions in this clause 4 are inserted solely for the benefit of the Finance Parties and may be waived on their behalf in whole or in part and with or without conditions by the Facility Agent (acting on the instructions of all the Lenders).

Section 3 - Utilisation

5 Utilisation

5.1 Delivery of the Utilisation Request

The Borrower may utilise the Facility by delivery to the Facility Agent of a duly completed Utilisation Request not later than the Specified Time or such shorter period as the Facility Agent (in consultation with the Lenders) may agree.

5.2 Completion of a Utilisation Request

- (a) A Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day falling on or before the relevant Last Availability Date;
 - (ii) the currency and amount of the Utilisation comply with clause 5.3 (*Currency and amount*);
 - (iii) the proposed Interest Period complies with clause 10 (*Interest Periods*); and
 - (iv) it identifies the purpose for the Utilisation and that purpose complies with clause 3 (*Purpose*).
- (b) Only one Utilisation Request may be issued with respect to the Original Commitments, and only one Utilisation Request may be issued with respect to the Increase Commitments.
- (c) The Original Commitments may only be borrowed in a single Utilisation, and the Increase Commitments may only be borrowed in a single Utilisation.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be euros.
- (b) Only one (1) Utilisation may be made with respect to the Original Commitments and only one (1) Utilisation may be made with respect to the Increase Commitments.
- (c) The amount of the proposed Utilisation shall not exceed the Total Commitments.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in the Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in the Loan will be equal to the proportion borne by its Commitment to the Total Commitments immediately prior to making the Loan.
- (c) The Facility Agent shall as soon as practicable notify each Lender of the amount of the Loan and the amount of its participation in the Loan, in each case by the Specified Time.
- (d) The Facility Agent shall pay all amounts received by it in respect of the Loan to the Borrower (or for the Borrower's account), in each case in accordance with the instructions contained in the Utilisation Request.

Section 4 - Repayment, Prepayment and Cancellation

6 Repayment

The Borrower shall on each of the:

- (a) First Repayment Date;
and
- (b) Final Repayment Date,

repay fifty per cent (50%) of the Loan.

7 Illegality, prepayment and cancellation

7.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in the Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;
- (b) that Lender shall be given the opportunity (at its option, but in consultation with the Borrower) to transfer its rights and obligations to an Affiliate or another Lender or a New Lender (as defined in clause 26 (*Changes to the Lenders*)). If that Lender has not been able to effectively transfer its rights and obligations in such manner, then:
 - (i) upon the Facility Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled;
and
 - (ii) to the extent that the Lender's participation has not been transferred or assigned pursuant to clause 7.8 (*Replacement of Lender*), the Borrower shall repay that Lender's participation in the Loan on the last day of the Interest Period occurring after the Facility Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation repaid.

7.2 Change of control

- (a) The Borrower shall promptly notify the Facility Agent upon becoming aware of a Change of Control occurring.
- (b) If a Change of Control occurs, the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower, with effect from a date specified in that notice which is at least sixty (60) days after the giving of the notice, cancel the Available Commitments and declare the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents, immediately due and payable on such date, whereupon with effect from such date each of the Available Commitments will be immediately cancelled, the Facility shall immediately cease to be available for further utilisation and the Loan and all such accrued interest and other amounts shall become immediately due and payable on such date.

7.3 Mandatory prepayment – Forward-looking forecasts

- (a) If at any time the Facility Agent (acting on the instructions of the Majority Lenders) notifies the Borrower following a determination in accordance with:

- (i) clause 23.5(c) (*Loans and Guarantees and Financial Indebtedness*);
or
- (ii) clause 23.9(d) (*Disposals*),

that financial covenants set out in clause 21.2 (*Financial Condition*) would not be satisfied, then the Borrower shall apply all Cash Sweep Proceeds in prepayment of the Loan on the last day of each Interest Period until such time as when the Cash Sweep End Date has occurred.

- (b) Any prepayment under this clause 7.3 shall be applied:
 - (i) in reducing each outstanding instalment under the Loan on a pro rata basis;
and
 - (ii) pro rata among the Lenders in proportion to their participation in the Loan.
- (c) For the purpose of this clause 7.3:

Cash Sweep Proceeds means, on the last day of each Interest Period, the aggregate of all cash standing to the credit of each bank account of the Borrower at each bank on such date (including any cash received by the Borrower in accordance with clause 23.5(d)(iv) (*Loans and Guarantees and Financial Indebtedness*)), less:

- (i) any cash standing to the credit of any bank account of the Borrower which is subject to a Security Interest in respect of secured Permitted Financial Indebtedness of the Borrower;
- (ii) the minimum amount necessary to ensure that the Borrower can satisfy the minimum Cash and Cash Equivalents required pursuant to Clause 21.2(b) (*Liquidity*) and any other liquidity covenant or other financial covenants of the Group in respect of any Permitted Financial Indebtedness as of the next Test Date;
- (iii) an amount equal to the budgeted capital expenses of the Group during the next 12 months after such day;
- (iv) an amount equal to the budgeted operating expenses of the Group and any scheduled interest payments, repayments and other payments to be made by the Borrower or its Subsidiaries in respect of any Financial Indebtedness during the next 6 months after such day; and
- (v) €10,000,000

Cash Sweep End Date means the date on which the Facility Agent (acting on the instructions of the Majority Lenders) has received updated financial projections from the Borrower that shall be in a form agreed between the Borrower and the Facility Agent (acting on the instructions of the Majority Lenders) or in such other form that is in form and substance acceptable to the Majority Lenders and that shall demonstrate that the financial covenants set out in clause 21.2 (*Financial Condition*) shall be satisfied by the Borrower from such date until Final Repayment Date.

7.4 Mandatory prepayment – Debt Service Coverage Ratio

- (a) If the Debt Service Coverage Ratio for any Test Date is not more than 2:1, then the Borrower shall, by no later than thirty (30) Business Days following the delivery of the Compliance Certificate setting out the Debt Service Coverage Ratio as of such Test Date, prepay the Loan up to such amount as may be required to ensure that the Debt Service Coverage Ratio for such Test Date shall be more than 2:1 upon re-testing in accordance with clause 7.4(c) below.

- (b) Any prepayment under this clause 7.4 shall be applied:
- (i) in reducing each outstanding instalment under the Loan in inverse order of maturity; and
 - (ii) *pro rata* among the Lenders in proportion to their participation in the Loan.
- (c) The Borrower shall, by no later than thirty (30) Business Days following the date of such prepayment, deliver to the Facility Agent a Compliance Certificate reflecting a re-testing of the Debt Service Coverage Ratio as if the Debt Service has been reduced by the amount of such prepayment. If the Debt Service Coverage Ratio is complied with, the Borrower shall be deemed to have satisfied the requirements of the Debt Service Coverage Ratio for the relevant Test Date.

7.5 Voluntary cancellation

The Borrower may, prior to the Utilisation Date, if it gives the Facility Agent not less than five (5) Business Days' (or such shorter period as the Facility Agent may agree) prior notice, cancel the whole or any part (being a minimum amount of €5,000,000 and a multiple of €1,000,000) of the Total Commitments. Any cancellation under this clause 7.5 shall reduce the Commitments of the Lenders rateably.

7.6 Voluntary prepayment

- (a) The Borrower may, if it gives the Facility Agent not less than five (5) Business Days' (or such shorter period as the Facility Agent may agree) prior notice, prepay the whole or any part of the Loan (but if in part, being an amount that reduces the amount of the Loan by a minimum amount of €5,000,000 and a multiple of €1,000,000), in respect of the amount to be prepaid.
- (b) In the event that a voluntary prepayment occurs prior to the date falling three (3) years after the date of this Agreement, in addition to the amount prepaid, the Borrower shall pay a fee in an amount equal to one per cent (1%) of the amount prepaid (unless such fee is waived by all the Lenders).

7.7 Right of cancellation and prepayment in relation to a single Lender

- (a) If:
- (i) any sum payable to any Lender by the Borrower is required to be increased under clause 13.2 (*Tax gross-up*); or
 - (ii) any Lender claims indemnification from the Borrower under clause 13.3 (*Tax indemnity*) or clause 14.1 (*Increased costs*),

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Facility Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan.

- (b) On receipt of a notice referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of the Interest Period which ends after the Borrower has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loan together with all interest and other amounts accrued under the Finance Documents which is then owing to it.

7.8 Replacement of Lender

(a) If:

- (i) the Borrower becomes obliged to repay any amount in accordance with clause 7.1 (*Illegality*) to any Lender;
or
- (ii) any of the circumstances set out in paragraph (a) of clause 7.7 (*Right of cancellation and prepayment in relation to a single Lender*) apply to a Lender,

the Borrower may, on ten (10) Business Days' prior written notice to the Facility Agent and such Lender, replace that Lender by requiring such Lender to transfer or assign (and, to the extent permitted by law, such Lender shall transfer or assign) pursuant to clause 26 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to an Eligible Institution (**aReplacement Lender**) which confirms its willingness to undertake and does undertake all the obligations of the transferring Lender in accordance with clause 26 (*Changes to the Lenders*) for a purchase price in cash payable at the time of the assignment in an amount equal to the aggregate of:

- (A) the outstanding principal amount of such Lender's participation in the Loan;
- (B) all accrued interest owing to such Lender;
- (C) the Break Costs which would have been payable to such Lender pursuant to clause 11.4 (*Break Costs*) had the Borrower prepaid in full that Lender's participation in the Loan on the date of the assignment; and
- (D) all other amounts payable to that Lender under the Finance Documents on the date of the transfer.

(b) The replacement of a Lender pursuant to this clause 7.8 shall be subject to the following conditions:

- (i) the Borrower shall have no right to replace the Facility Agent;
- (ii) neither the Facility Agent nor any Lender shall have any obligation to find a Replacement Lender;
- (iii) in no event shall the Lender replaced under this clause 7.8 be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
- (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.

(c) A Lender shall perform the checks described in paragraph (b)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Facility Agent and the Borrower when it is satisfied that it has complied with those checks.

7.9 Automatic cancellation

Any part of the Total Commitments which has not become available by the Last Availability Date shall be automatically cancelled at close of business in Singapore on the Last Availability Date.

8 Restrictions

8.1 Notices of cancellation and prepayment

Any notice of cancellation or prepayment given by any Party under clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

8.2 Interest and other amounts

- (a) Any cancellation under this Agreement shall not incur any premium or penalty.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

8.3 No reborrowing

The Borrower may not re-borrow any part of the Facility which is prepaid or repaid.

8.4 Prepayment in accordance with Agreement

The Borrower shall not repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

8.5 No reinstatement of Commitments

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

8.6 Agent's receipt of notices

If the Facility Agent receives a notice under clause 7 it shall as soon as practicable forward a copy of that notice to either the Borrower or the affected Finance Parties, as appropriate.

8.7 Effect of repayment and prepayment on Commitments

If all or part of any Lender's participation in the Loan is repaid or prepaid, an amount of that Lender's Commitment equal to the amount of the participation which is repaid or prepaid will be deemed to be cancelled on the date of repayment or prepayment.

8.8 Application of cancellations and prepayments

- (a) If the Total Commitments are partially reduced and/or the Loan partially prepaid under this Agreement (other than under clause 7.1 (*Illegality*) or clause 7.7 (*Right of cancellation and prepayment in relation to a single Lender*)), the Commitments of the Lenders shall be reduced rateably.
- (b) Any prepayment required as a result of a cancellation in full of an individual Lender's Commitment under clause 7.1 (*Illegality*) or clause 7.7 (*Right of cancellation and prepayment in relation to a single Lender*)) shall be applied in prepaying the relevant Lender's participation in the Loan.
- (c) Any other prepayment shall be applied *pro rata* to each Lender's participation in the Loan.

Section 5 - Costs of Utilisation

9 Interest

9.1 Calculation of interest

The rate of interest on the Loan (or any relevant part of it for which there is a separate Interest Period) for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin;
and
- (b) EURIBOR.

9.2 Payment of interest

The Borrower shall pay accrued interest on the Loan (or any relevant part of it) on the last day of each Interest Period.

9.3 Default interest

- (a) If the Borrower fails to pay any amount payable by it under a Finance Document to a Finance Party on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (c) below, is two per cent (2%) per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted the Loan for successive Interest Periods, each of a duration selected by the Facility Agent (acting reasonably).
- (b) Any interest accruing under this clause 9.3 shall be immediately payable by the Borrower on demand by the Facility Agent.
- (c) If any overdue amount consists of all or part of the Loan (or any relevant part of it) which became due on a day which was not the last day of an Interest Period relating to the Loan or the relevant part of it:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan or the relevant part of it; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two per cent (2%) per annum higher than the rate which would have applied if the overdue amount had not become due.
- (d) Default interest payable under this clause 9.3 (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9.4 Notification of rates of interest

- (a) The Facility Agent shall as soon as practicable notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.
- (b) The Facility Agent shall as soon as practicable notify the Borrower of each Funding Rate relating to the Loan.

10 Interest Periods

10.1 Interest Periods

- (a) The Interest Periods shall be three (3) Months or any other period agreed between the Borrower, the Facility Agent and all the Lenders.
- (b) No Interest Period shall extend beyond the Final Repayment Date.
- (c) The first Interest Period for the Loan shall start on the Utilisation Date and each subsequent Interest Period for the Loan shall start on the last day of its preceding Interest Period.

10.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that Month (if there is one) or the preceding Business Day (if there is not).

11 Changes to the calculation of interest

11.1 Unavailability of Screen Rate

- (a) If no Screen Rate is available for EURIBOR for an Interest Period, EURIBOR for an Interest Period, EURIBOR shall be the Interpolated Screen Rate for a period equal in length to that Interest Period.
- (b) If paragraph (a) above applies, but no Interpolated Screen Rate is available for EURIBOR for:
 - (i) euro;
or
 - (ii) the relevant Interest Period,

there shall be no EURIBOR for that Interest Period and clause 11.3 (*Cost of funds*) shall apply for that Interest Period.

11.2 Market disruption

If before close of business in Singapore on the Quotation Day for an Interest Period a Lender notifies the Borrower that the cost to it of funding the Loan or relevant part of it from whatever source it may reasonably select would be in excess of EURIBOR, then clause 11.3 (*Cost of funds*) shall apply to the Loan or relevant part of it for the relevant Interest Period.

11.3 Cost of funds

- (a) If this clause 11.3 applies to the Loan for an Interest Period, clause 9.1 (*Calculation of interest*) shall not apply to the Loan for that Interest Period and the rate of interest on each Lender's share for that Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin;
and
 - (ii) the rate notified to the Facility Agent by that Lender as soon as practicable and in any event within five (5) Business Days of the first day of that Interest Period (or, if earlier, on the date falling ten (10) Business Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost of funds to the relevant Lender relating to its participation in the Loan.

- (b) If this clause 11.3 applies and the Facility Agent or the Borrower so requires, the Facility Agent and the Borrower shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to clause 11.3(b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.
- (d) If this clause 11.3 applies pursuant to clause 11.2 (*Market disruption*) and:
 - (i) a Lender's Funding Rate is less than EURIBOR;
or
 - (ii) a Lender does not notify a rate to the Facility Agent by the time specified in paragraph (a)(ii) above,that Lender's cost of funds relating to its participation in the Loan for that Interest Period shall be deemed, for the purposes of 11.3(a) above, to be EURIBOR.
- (e) Subject to clause 11.3(d), if this clause 11.3 applies but any Lender does not notify a rate to the Facility Agent by the time specified in paragraph (a)(ii) above, the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.
- (f) If this clause 11.3 applies the Facility Agent shall, as soon as is practicable, notify the Borrower.

11.4 Break Costs

- (a) The Borrower shall, within three (3) Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs (if any) attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrower on a day prior to the last day of an Interest Period for the Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become, or may become, payable.

12 Fees

12.1 Commitment fee

- (a) The Borrower shall pay to the Facility Agent (for the account of each Lender) a fee in euros computed at the rate of one point six per cent (1.6%) per annum on that Lender's undrawn and uncancelled Commitment at such time with such fees accruing from the date of this Agreement (the **start date**).
- (b) The Borrower shall pay the accrued commitment fee on the last day of the period of three Months commencing on the start date, on the last day of each successive period of three Months, on the Last Availability Date and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

12.2 Upfront fee

The Borrower shall pay to the Mandated Lead Arranger the fees in the amounts and at the times agreed in a Fee Letter.

12.3 Agency fee

The Borrower shall pay to the Facility Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

Section 6 - Additional Payment Obligations

13 Tax gross-up and indemnities

13.1 Definitions

- (a) In this Agreement:

Tax Credit means a credit against, relief or remission for, or repayment of any Tax.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document other than a FATCA Deduction.

Tax Payment means either the increase in a payment made by the Borrower to a Finance Party under clause 13.2 (*Tax gross-up*) or a payment under clause 13.3 (*Tax indemnity*).

- (b) Unless a contrary indication appears, in this clause 13 a reference to “**determines**” or “**determined**” means a determination made in the discretion of the person making the determination.

13.2 Tax gross-up

- (a) The Borrower shall make all payments to be made by it under any Finance Document without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall, promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), notify the Facility Agent accordingly. Similarly, a Lender shall notify the Facility Agent on becoming so aware in respect of a payment payable to that Lender. If the Facility Agent receives such notification from a Lender it shall notify the Borrower.
- (c) If a Tax Deduction is required by law to be made by the Borrower, the amount of the payment due from the Borrower under the relevant Finance Document shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If the Borrower is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower shall deliver to the Facility Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

13.3 Tax indemnity

- (a) The Borrower shall (within three (3) Business Days of demand by the Facility Agent) pay to an Indemnified Person an amount equal to the loss, liability or cost which that Indemnified Person reasonably determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Indemnified Person in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

- (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
- (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

- (A) is compensated for by an increased payment under clause 13.2 (*Tax gross-up*);
- (B) is compensated for under clause 13.5 (*Stamp taxes*) or clause 13.6 (*VAT*); or
- (C) relates to a FATCA Deduction required to be made by a Party.

(c) An Indemnified Person making, or intending to make a claim under paragraph (a) above shall promptly notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall notify the Borrower.

(d) An Indemnified Person shall, on receiving a payment from the Borrower under this clause 13.3, notify the Facility Agent.

13.4 Tax Credit

If the Borrower makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable (A) to an increased payment of which that Tax Payment forms part, (B) to that Tax Payment or (C) to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Borrower which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

13.5 Stamp taxes

The Borrower shall pay and, within three (3) Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

13.6 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance

Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any Party other than the Recipient (the **Relevant Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this clause 13.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994).

13.7 In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

13.8 FATCA information

- (a) Subject to paragraph (c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party;
 - or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

- (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party as soon as reasonably practicable.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraphs (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

13.9 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Facility Agent and the Facility Agent shall notify the other Finance Parties.

14 Increased Costs

14.1 Increased costs

- (a) Subject to clause 14.3 (*Exceptions*), the Borrower shall, within three (3) Business Days of a demand by the Facility Agent, pay for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates which:
 - (i) arises as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation in either case made after the date of this Agreement; and/or
 - (ii) is a Basel III Increased Cost.
- (b) In this Agreement **Increased Costs** means:
 - (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
 - (ii) an additional or increased cost; or

- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

14.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to clause 14.1 (*Increased costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Borrower.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Increased Costs.

14.3 Exceptions

- (a) Clause 14.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by the Borrower;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
 - (iii) compensated for by clause 13.3 (*Tax indemnity*) (or would have been compensated for under clause 13.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of clause 13.3 (*Tax indemnity*) applied);
 - (iv) is compensated for under clause 13.5 (*Stamp taxes*) or clause 13.6 (*VAT*);
or
 - (v) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In paragraph (a) above, a reference to a Tax Deduction has the same meaning given to the term in clause 13.1 (*Definitions*).

15 Other indemnities

15.1 Currency indemnity

- (a) If any sum due from the Borrower under the Finance Documents (a **Sum**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **First Currency**) in which that Sum is payable into another currency (the **Second Currency**) for the purpose of:
 - (i) making or filing a claim or proof against the Borrower;
and/or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall, as an independent obligation, within three (3) Business Days of demand by a Finance Party, indemnify each Finance Party to whom that Sum is due against any Losses arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (ii) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) The Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

15.2 Other indemnities

The Borrower shall within three (3) Business Days of demand by a Finance Party, indemnify each Finance Party against any and all Losses incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by the Borrower to pay any amount due under a Finance Document on its due date, including without limitation, any and all Losses arising as a result of clause 30 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in the Utilisation requested by the Borrower in the Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of fraud, gross negligence or wilful default by that Finance Party alone); or
- (d) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

15.3 Indemnity to the Facility Agent

The Borrower shall within three (3) Business Days of demand indemnify the Facility Agent, as the case may be, against:

- (a) any and all Losses incurred by the Facility Agent as a result of:
 - (i) investigating any event which it reasonably believes is a Default;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
 - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents where, unless any of the circumstances in paragraphs (i) or (ii) apply or an Event of Default is occurring, any costs and expenses as a result of such instruction have been pre-approved by the Borrower (such approval not to be unreasonably withheld or delayed); and
- (b) any and all Losses (including, without limitation, in respect of liability for negligence or any other category of liability whatsoever) incurred by the Facility Agent (otherwise than by reason of the Facility Agent's fraud, gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 31.12 (*Disruption to payment systems etc.*) notwithstanding the Facility Agent's gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent in acting as Facility Agent under the Finance Documents.

15.4 Continuation of indemnities

The indemnities by the Borrower in favour of any Indemnified Persons contained in this Agreement shall continue in full force and effect notwithstanding any breach by any Finance Party or the Borrower of the terms of this Agreement, the repayment or prepayment of the Loan, the cancellation of the Total Commitments or the repudiation by any Finance Party or the Borrower of this Agreement.

15.5 Exclusion of liability

Without prejudice to any other provision of the Finance Documents excluding or limiting the liability of any Indemnified Person, no Indemnified Person will be in any way liable or responsible to the Borrower who is a Party or is a party to a Finance Document to which this clause applies for any loss or liability arising from any act, default, omission or misconduct of that Indemnified Person, except to the extent caused by its own fraud, gross negligence or wilful misconduct. Any Indemnified Person may rely on this clause 15.5 subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

16 Mitigation by the Lenders

16.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in the Facility ceasing to be available or any amount becoming payable or increased under or pursuant to, or cancelled pursuant to, any of clause 7.1 (*Illegality*), clause 13 (*Tax gross-up and indemnities*) or clause 14 (*Increased costs*) including (but not limited to) transferring its rights under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of the Borrower under the Finance Documents.

16.2 Limitation of liability

- (a) The Borrower shall within three (3) Business Days of demand indemnify each Finance Party for all costs and expenses incurred by that Finance Party as a result of steps taken by it under clause 16.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under clause 16.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

17 Costs and expenses

17.1 Transaction expenses

- (a) The Borrower shall, within three (3) Business Days of demand, pay the Facility Agent, the Mandated Lead Arranger and the Green Loan Co-ordinator the amount of all costs and expenses pre-approved by the Borrower (such approval not to be unreasonably withheld or delayed) (including fees, costs and expenses of lawyers, accountants, tax advisers, technical advisers, insurance consultants, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution, syndication, registration and perfection and any release, discharge or reassignment of:
 - (i) this Agreement and any other documents referred to in this Agreement; and
 - (ii) any other Finance Documents executed or proposed to be executed after the date of this Agreement.
- (b) The Facility Agent shall be entitled to withhold from the amount of the Utilisation paid to the Borrower an amount representing the costs and expenses referred to in paragraph (a) above (to the extent that such costs and expenses have been notified to the Facility Agent and the Borrower prior to the date of the Utilisation Request).

17.2 Amendment costs

If:

- (a) the Borrower requests an amendment, waiver or consent;
or
- (b) an amendment is required pursuant to clause 31.10 (*Change of currency*),

the Borrower shall, within three (3) Business Days of demand, reimburse the Facility Agent for the amount of all documented costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, technical advisers, insurance consultants, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) reasonably incurred by the Facility Agent in responding to, evaluating, negotiating or complying with that request or requirement, provided that such costs and expenses shall have been shared with and approved by the Borrower in advance.

17.3 Enforcement, preservation and other costs

The Borrower shall, within three (3) Business Days of demand by a Finance Party, pay to each Finance Party the amount of all costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

17.4 Double counting

For the avoidance of doubt there shall be no double counting between any of the indemnity and/or costs provisions of this Agreement on the one hand and the provisions of any other Finance Documents on the other (including, without limitation, between any of the indemnities under clause 15 (*Other indemnities*) of this Agreement. Accordingly, if a payment is received by way of indemnity or reimbursement of costs by any Finance Party under any of the Finance Documents which, but for this provision, would also be due under this Agreement, the person making the payment (the **Payor**) shall be relieved, *pro tanto*, from any obligation to pay a corresponding amount under this Agreement provided that any settlement or discharge between such Finance Party on the one hand and the Payor on the other shall be conditional upon no security or payment (whether by set-off or otherwise) to such Finance Party in relation to this Agreement or any other Finance Document being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application and, if any such security or payment is so avoided or reduced, such Finance Party shall be entitled to recover the value or amount of such security or payment from the Payor subsequently as if such settlement or discharge had not occurred.

Section 7 - Representations, Undertakings and Events of Default

18 Representations

The Borrower makes and repeats the representations and warranties set out in this clause 18 to each Finance Party at the times specified in clause 18.26 (*Times when representations are made*).

18.1 Status

- (a) It is a limited liability company, duly incorporated and validly existing under the law of its Original Jurisdiction.
- (b) It and each other Group Member has power and authority to own its assets and to carry on its business as it is now being conducted.

18.2 Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations.

18.3 Non-conflict

The entry into and performance by it of, and the transactions contemplated by the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its or any other Group Member's Constitutional Documents; or
- (c) any material agreement or other material instrument binding upon it or any other Group Member or its assets or the assets of any other Group Member,

or constitute a default or termination event (however described) under any such material agreement or material instrument.

18.4 Power and authority

- (a) It has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, each Finance Document to which it is, or is to be, a party and each of the transactions contemplated by those documents.
- (b) No limitation on its powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Finance Document to which it is, or is to be, a party.

18.5 Validity and admissibility in evidence

All Authorisations required:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under each Finance Document to which it is a party; and
- (b) to make each Finance Document to which it is a party admissible in evidence in its Relevant Jurisdiction,

have been obtained or effected and are in full force and effect except any Authorisation or filing referred to in clause 18.11 (*No filing or stamp taxes*), which Authorisation or filing will be promptly obtained or effected within any applicable period.

18.6 Governing law and enforcement

Subject to the Legal Reservations:

- (a) the choice of governing law of each Finance Document to which it is a party will be recognised and enforced in its Relevant Jurisdiction; and
- (b) any judgment obtained in relation to a Finance Document to which it is a party in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdiction.

18.7 No misleading information

- (a) All factual information contained in the Information Package is true, complete and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.
- (b) Any financial projection or forecast contained in the Information Package has been prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair (as at the date of the relevant report or document containing the projection or forecast) and arrived at after careful consideration.
- (c) The expressions of opinion or intention provided by or on behalf of the Borrower for the purposes of the Information Package were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were fair and based on reasonable grounds.
- (d) To the best of the Borrower's knowledge and belief (in good faith and after careful consideration), no event or circumstance has occurred or arisen and no information has been omitted from the Information Package and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the Information Package being untrue or misleading in any material respect.
- (e) All other written information provided by any Group Member (including its advisers) to a Finance Party in connection with the Finance Documents or the transactions referred to in them was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.
- (f) For the purposes of this clause 18.7, **Information Package** means any written information provided by any Group Member to any of the Finance Parties in connection with the Finance Documents or the transactions referred to in them.

18.8 Original Financial Statements

- (a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) The Original Financial Statements fairly present the financial condition as at the end of the relevant Financial Year and its results of operations during the relevant Financial Year of the Borrower.
- (c) There has been no material adverse change in the assets, business or financial condition of the Group since the date of the Original Financial Statements.

18.9 Pari passu ranking

The Borrower's payment obligations under the Finance Documents to which it is, or is to be, a party rank at least pari passu with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

18.10 No insolvency

No corporate action, legal proceeding or other procedure or step described in clause 25.7 (*Insolvency proceedings*) or creditors' process described in clause 25.8 (*Creditors' process*) has been taken or, to the knowledge of the Borrower, threatened in relation to the Borrower (other than where the Facility Agent (acting on the instructions of the Majority Lenders) has determined that such a threat to commence corporate action, legal proceeding or other procedure or step is frivolous or vexatious in nature) and none of the circumstances described in clause 25.6 (*Insolvency*) applies to the Borrower.

18.11 No filing or stamp taxes

Under the laws of its Relevant Jurisdictions it is not necessary that the Finance Document to which it is, or is to be, party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to any such Finance Document or the transactions contemplated by the Finance Documents except any filing, recording or enrolling or any tax or fee payable in relation to any Finance Document which is referred to in any Legal Opinion.

18.12 Deduction of Tax

It is not required to make any Tax Deduction (as defined in clause 13.1 (*Definitions*)) from any payment it may make under any Finance Document to which it is a party and no other party is required to make any such deduction from any payment it may make under any other Finance Document, except if required by law in accordance with clause 13.2 (*Tax gross-up*).

18.13 Tax compliance

- (a) It is not materially overdue in the filing of any Tax returns or overdue in the payment of any amount in respect of Tax.
- (b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it with respect to Taxes such that a liability of, or claim against, the Borrower is reasonably likely to arise for an amount for which adequate reserves have not been provided in the Original Financial Statements and which would reasonably be expected have a Material Adverse Effect.
- (c) It is resident for Tax purposes only in its Original Jurisdiction.

18.14 No Default

- (a) No Default is continuing or might reasonably be expected to result from the making of the Utilisation or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance is outstanding which constitutes a default or termination event (however described) under any other agreement or instrument which is binding on it or any of the Group Members or to which its (or any of the Group Members') assets are subject which would reasonably be expected to have a Material Adverse Effect.

18.15 No proceedings

- (a) No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, would reasonably be expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief (having made due enquiry)) been started or threatened against it or any Group Member.
- (b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is reasonably likely to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due enquiry)) been made against it or any Group Member.

18.16 No breach of laws

- (a) It has not breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.
- (b) To the best of its knowledge and belief (having made due enquiry), no Prohibited Payment has been made or provided, directly or indirectly, by it to, or for the benefit of, any Authority in connection with any Finance Document.
- (c) In respect of all other funds received by it (other than the Utilisation proceeds), as far as it is aware (having made due enquiry), none of the sources of such funds to be used by it in connection with any Finance Document or its business are of Illicit Origin.

18.17 Environmental matters

- (a) No Environmental Law applicable to the Group or the assets of the Group have been violated in a manner or to an extent which has or is reasonably likely to have, a Material Adverse Effect.
- (b) To the best of the Borrower's knowledge and belief (having made due enquiry), all Authorisations required under such Environmental Laws have been obtained and are currently in force.
- (c) No Environmental Claim has been made or, to the best of its knowledge and belief (having made due enquiry), is threatened or pending against the Group or the assets of the Group (or their officers) where that claim has or is reasonably likely to have a Material Adverse Effect and there has been no Environmental Incident which has given, or might give, rise to such a claim.
- (d) No Pollutant has at any time been deposited or disposed of in the environment by any Group Member or by or from any assets of the Group in circumstances which are likely to result in an Environmental Claim against the Group where such claim in each case, if successful, would be reasonably likely to have a Material Adverse Effect.

18.18 Anti-corruption law and anti-money laundering laws

- (a) The operations of the Borrower, its Subsidiaries and their Affiliates are and have been conducted at all times in material compliance with applicable money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency having jurisdiction over the Borrower or any of its Subsidiaries (collectively, the **Money Laundering Laws**) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Borrower, any of its Subsidiaries, any of their Affiliates or any of their respective directors, officers or employees, in each case, with respect to the Money Laundering Laws is pending or, to the best knowledge of the Borrower, threatened.
- (b) None of the Borrower, nor to the knowledge of the Borrower, any director, officer, employee or Affiliate of the Borrower or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of any applicable anti-bribery law, including but not limited to, the United Kingdom Bribery Act 2010 (the **UK Bribery Act**) and the U.S. Foreign Corrupt Practices Act of 1977 (the **FCPA**). Furthermore, the Borrower and, to the knowledge of the Borrower, its Affiliates have conducted their businesses in compliance with the UK Bribery Act, the FCPA and similar laws, rules or regulations and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

18.19 Financial Indebtedness

The Borrower does not have any Financial Indebtedness outstanding in breach of this Agreement.

18.20 Ownership of the Borrower

There has been no Change of Control.

18.21 Accounting Reference Date

Its Financial Year-end is the Accounting Reference Date.

18.22 No immunity

Neither it nor any of its assets is immune to any legal action or proceeding.

18.23 Sanctions

- (a) The Loan is not being used by the Borrower (i) directly or (to the best of the Borrower's knowledge and belief (having made reasonable due enquiry)) indirectly to finance the activities of any person subject to any Sanctions or (ii) in breach of any Sanctions.
- (b) No Group Member nor any Affiliate of any Group Member or joint venture of any Group Member, nor any of their respective directors, officers or employees nor, to the best of its knowledge (having made reasonable due enquiry), any persons acting on any of their behalf:
 - (i) is a Prohibited Person;
 - (ii) owns or controls a Prohibited Person;
 - (iii) is in breach of Sanctions or engaged in any activity that would reasonably be expected to result in that person being designated as a Prohibited Person under existing Sanctions administered by a Sanctions Authority (**Sanctionable Activity**); or

- (iv) has received written notice of or is aware of any enforcement action or the issuance of formal proceedings or formal investigations against it with respect to an alleged breach of Sanctions by any Sanctions Authority.
- (c) Each of the Group Members has implemented and maintains in effect a Sanctions compliance policy (howsoever described) which, in accordance with the recommendations of the Sanctions Advisory, is designed to ensure compliance by each such Group Member, its Affiliates and their respective directors, officers and employees with Sanctions. Each Group Member, its Affiliates and their respective directors, officers and employees are in compliance with Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in such Group Member being designated as a Prohibited Person. Without limitation on the foregoing, such Sanctions compliance policy shall be designed to procure that each Group Member, its Subsidiaries and their respective directors, officers and employees shall, where applicable:
 - (i) conduct their activities in a manner consistent with Sanctions;
 - (ii) have sufficient resources in place to ensure execution of and compliance with their own Sanctions policies by their personnel (including, for example, direct hires, contractors and staff);
 - (iii) ensure Subsidiaries and Affiliates comply with the relevant policies, as applicable;
 - (iv) have relevant controls in place to monitor automatic identification system (AIS) transponders;
 - (v) to the extent applicable, have controls in place to screen and assess onboarding or offloading cargo in areas they determine to present a high risk;
 - (vi) to the extent applicable, have controls to assess authenticity of bills of lading, as necessary; and
 - (vii) have controls in place consistent with the Sanctions Advisory.

18.24 US Tax Obligor

It is not a US Tax Obligor.

18.25 Green Loan Criteria

- (a) The Borrower is in compliance with the Green Loan Criteria and the Green Loan Principles.
- (b) The contents of each Green Loan Compliance Certificate are true and accurate in all respects and such Green Loan Compliance Certificate has been prepared on the basis of recent information and reasonable assumptions. Nothing has been omitted from such information, and no information has been given or withheld, that results in the contents of the Green Loan Compliance Certificate being untrue or misleading in any respect.

18.26 Times when representations are made

- (a) All of the representations and warranties set out in this clause 18 are deemed to be made and repeated on the dates of:
 - (i) this Agreement;
 - (ii) the Utilisation Request; and
 - (iii) the Utilisation.

- (b) The Repeating Representations are deemed to be repeated on the first day of each Interest Period.
- (c) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

19 Information undertakings

The Borrower undertakes that this clause 19 will be complied with throughout the Facility Period.

In this clause 19:

Annual Financial Statements means the audited consolidated financial statements for a Financial Year of the Borrower delivered pursuant to paragraph (a) of clause 19.1 (*Financial statements*).

Semi-Annual Financial Statements means the consolidated financial statements for a Financial Half Year of the Borrower delivered pursuant to paragraph (b) of clause 19.1 (*Financial statements*).

19.1 Financial statements

- (a) The Borrower shall supply to the Facility Agent as soon as the same become available, but in any event within five (5) Months after the end of each Financial Year, its audited consolidated financial statements for that Financial Year.
- (b) The Borrower shall supply to the Facility Agent as soon as the same become available, but in any event within sixty (60) days after the end of the first Financial Half Year, its unaudited financial statements for that Financial Half Year.

19.2 Provision and contents of Compliance Certificate

- (a) The Borrower shall supply a Compliance Certificate to the Facility Agent, with each set of Annual Financial Statements and Semi Annual Financial Statements.
- (b) Each Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations as to compliance with the covenants in clause 21 (*Financial covenants*) that apply to it.
- (c) Each Compliance Certificate shall be signed by the chief executive officer or chief financial officer of the Borrower.

19.3 Requirements as to financial statements

- (a) The Borrower shall procure that each set of Annual Financial Statements and Semi Annual Financial Statements includes a profit and loss account, a balance sheet and a cashflow statement and that, in addition, each set of such annual financial statements shall be audited by the Auditors and be in English.
- (b) Each set of Annual Financial Statements and Semi-Annual Financial Statements shall:
 - (i) be certified by a director of the Borrower as fairly presenting, its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the annual financial statements, shall be accompanied by any letter addressed to the management of the Borrower by the Auditors and accompanying those financial statements; and

(ii) in the case of audited annual financial statements, not be the subject of any material qualification in the Auditors' opinion.

- (c) The Borrower shall procure that each set of financial statements delivered pursuant to clause 19.1 (*Financial statements*) shall be prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements, unless, in relation to any set of financial statements, the Borrower notifies the Facility Agent that there has been a change in GAAP or the accounting practices and delivers to the Facility Agent:
- (i) a description of any change necessary for those financial statements to reflect the GAAP or accounting practices and reference periods upon which corresponding Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Facility Agent, to enable the Lenders to determine whether clause 21 (*Financial covenants*) has been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.
- (d) Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

19.4 Year-end

The Borrower shall procure that each of its Financial Years end on the Accounting Reference Date.

19.5 Information: miscellaneous

The Borrower shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):

- (a) at the same time as they are dispatched, copies of all material documents (and excluding any documents that are not material and are administrative or technical in nature) dispatched by the Borrower to its shareholders generally (or any class of them) or dispatched by the Borrower to its creditors generally (or any class of them);
- (b) promptly upon becoming aware of them, the details of (i) any material litigation, arbitration or administrative proceedings which are current, pending or threatened against any Group Member and (iii) any other claim, action, suit, proceedings or investigation against any Group Member with respect to Sanctions;
- (c) promptly (and in any case within fourteen (14) days) upon becoming aware of them, the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any Group Member and which is reasonably likely to have a Material Adverse Effect;
- (d) promptly, if any Group Member or any of their Subsidiaries or joint ventures or any of their respective directors, officers or employees, becomes a Prohibited Person;
- (e) promptly, following the making of any amendment to any Constitutional Documents of the Borrower, a notification of the details of such amendment together with complete copies of each amended Constitutional Document; and
- (f) promptly on request, such further information regarding the financial condition, assets and operations of any Group Member or other financial information as any Finance Party

through the Facility Agent may reasonably request, provided that the Borrower shall not be required to disclose any information pursuant to this paragraph (f) if (and only to the extent that) disclosure of such information would be in breach of applicable law or the rules of any stock exchange on which the Borrower is listed.

19.6 Information relating to the Merger Transaction and WTIVs

The Borrower will notify the Facility Agent promptly:

- (a) with material updates on the status and progress of:

- (i) the proposed Merger Transaction; and
- (ii) the construction of the WTIVs and the delivery of the same (including the anticipated delivery date and the actual delivery date),

provided that the Borrower shall not be required to provide such updates where such disclosure would be contrary to any law or regulation or the rules of any stock exchange on which the Borrower is listed;

- (b) upon becoming aware of:

- (i) any damage to any WTIV where the cost of the resulting repairs may exceed €10,000,000;
- (ii) any occurrence which may result in a WTIV becoming a total loss; and
- (iii) any arrest or detention of a WTIV or any exercise or purported exercise of a lien or other material claim on a WTIV; and

- (c) upon becoming aware of:

- (i) any Spill which would reasonably be expected to result in a material Environmental Claim against or in respect of the Borrower or, to the extent the Borrower is aware, a WTIV; and
- (ii) any material Environmental Claim being made against or in respect of the Borrower and/or a WTIV and of any Environmental Incident which is likely to give rise to such a claim and, to the extent the Borrower is aware of the same, will keep the Facility Agent regularly and promptly informed in reasonable detail of the nature of, and response to, any such Environmental Incident and the defence to any such claim.

19.7 Notification of Default

- (a) The Borrower shall notify the Facility Agent of any Default, full details of the same and the steps, if any, being taken or that it is proposing to take to remedy it promptly upon the Borrower becoming aware of its occurrence.
- (b) Where the Facility Agent reasonably suspects that a Default has occurred, the Borrower shall promptly on request by the Facility Agent supply to the Facility Agent a certificate signed by two of its directors or authorised signatories on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken or that it is proposing to take to remedy it).

19.8 “Know your customer” checks

- (a) If:
- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of the Borrower (or of a Holding Company of the Borrower) after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights under this Agreement to a party that is not already a Lender prior to such assignment; or
 - (iv) any internal requirements of a Finance Party to conduct “know your customer” checks on a regular basis,

obliges any Finance Party (or, in the case of paragraph (iv) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the applicable Finance Party supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Finance Party) or any Lender (for itself or, in the case of the event described in paragraph (iv) above, on behalf of any prospective new Lender) in order for the Facility Agent, such Finance Party or, in the case of the event described in paragraph (iv) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Finance Party shall, promptly upon the request of the Facility Agent, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself) in order for it to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

19.9 Green loan reporting

The Borrower shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests), no later than 120 days after the end of each Financial Year:

- (a) a copy of the Sustainability Report for that Financial Year; and
- (b) a copy of the Green Loan Compliance Certificate.

19.10 Forward-looking forecasts

- (a) If at any time:
- (i) the Borrower or any Group Member (as applicable) enters into any new Charterer Agreements for any ship wholly and directly owned by the Borrower or any Group Member; or
 - (ii) the Borrower or any Group Member terminates any Charterer Agreements for any ship wholly and directly owned by the Borrower or any Group Member,

in each case that could reasonably be expected to materially affect the Borrower’s cashflows or which results in any material change in the aggregate amounts due to be received by the Borrower under the Charterer Agreements then the Borrower shall,

promptly and by no later than 30 days following the date of such entry or termination (as applicable), deliver to the Facility Agent:

- (iii) updated financial projections and forward-looking forecasts taking into account such entry or termination; and
- (iv) calculations based on such updated financial projections showing how such entry or termination (as applicable) would affect the financial covenants set out in clause 21.2 (*Financial Condition*) during the next 24 (twenty-four) month period; and

where the Facility Agent (acting on the instructions of the Majority Lenders) determines that financial covenants set out in clause 21.2 (*Financial Condition*) would not be satisfied as a result of such disposal being made, then the Borrower shall be required to prepay the Loan in accordance with clause 7.3 (*Mandatory prepayment – Forward-looking forecasts*).

20 Banking (Exposure Limits) Rules

- (a) The Borrower acknowledges that the Banking (Exposure Limits) Rules (Cap. 155S) and regulations in respect thereof in Hong Kong have imposed on The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch certain limitations on advances to persons related or connected to the HSBC Group. By entering into this Agreement, the Borrower agrees that:
 - (i) it shall, to the best of its knowledge, advise The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch in writing if it is in any way related or connected to the HSBC Group; and
 - (ii) if it becomes aware that it is so related or connected at any time after the date of this Agreement, that it shall immediately advise The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch in writing,and, in each case, in the absence of such advice, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch will assume that the Borrower is not so related or connected.
- (b) The Borrower may refer to Schedule 8 (*Banking (Exposure Limits) Rules*) for an explanation of when it may be considered related or connected to the HSBC Group for the purposes hereof.

21 Financial covenants

The Borrower undertakes that this clause 21 will be complied with throughout the Facility Period.

21.1 Financial definitions

In this clause 21:

Cash and Cash Equivalents means, at any relevant time:

- (a) cash in hand or held with any bank,
- (b) Cash Equivalent Investments;
- (c) any undrawn and available amounts under any committed revolving and overdraft credit facilities; and
- (d) any other instrument, security or investment approved by the Majority Lenders,

which is free from any Security Interest (with the exception of any Security Interest over any bank account which does not result in such bank account being blocked outside of an event of default) and/or restrictions and to which any Group Member is beneficially entitled at that time and which are readily available to Group Members and capable of being applied against Financial Indebtedness, as demonstrated by the then most recent Financial Statements.

Cash Equivalent Investments means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iii) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) any investment in money market funds which:
 - (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; and
 - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above, to the extent that investment can be turned into cash on not more than 30 days' notice; or
- (e) any stocks payable in a freely convertible and transferable currency and which are listed on a stock exchange acceptable to the Majority Lenders.

Equity means, at any time and in relation to a Relevant Period, the aggregate book value of the total equity of the Borrower (on a consolidated basis) in the then most recent Financial Statements relevant to such Relevant Period.

Equity Ratio means, at any relevant time and in relation to a Relevant Period, the ratio of (a) the Equity to (b) Total Assets.

Financial Statements means any of the Annual Financial Statements and/or the Semi-Annual Financial Statements referred to and defined as such in clause 19 (*Information undertakings*).

Gross Interest Bearing Debt means, at any relevant time, the interest bearing debt of the Group calculated on a consolidated basis as set out in the most recent Financial Statements.

Net Interest Bearing Debt means, at any relevant time and in respect of a Relevant Period, the Gross Interest Bearing Debt minus Cash and Cash Equivalents, each as set out in the then most recent Financial Statements relevant to such Relevant Period.

Relevant Period means each period of twelve (12) Months ending on or about the last day of the Financial Year and each period of twelve (12) Months ending on or about the last day of each half-yearly period.

Ships means, on the relevant Test Date, each ship wholly and directly owned by a Group Member.

Test Date means the last day of each Relevant Period.

Total Assets means, at any time and in relation to any Relevant Period, the aggregate of “total assets” of the Group as shown (on the basis of book values) in the then most recent Financial Statements relevant to such Relevant Period.

21.2 Financial Condition

The Borrower shall ensure that, on each Test Date:

- (a) **Equity Ratio:** at all times during and in respect of each Relevant Period, the Equity Ratio shall be higher than 0.35:1.0;
- (b) **Liquidity:** the Borrower (on a consolidated basis) maintains at all times Cash and Cash Equivalents which are at all times not less than:
 - (i) if at any relevant time the ratio of (1) the total forward-looking anticipated cash revenues of the Group from all legally binding and committed contracts for all the Ships for a Relevant Period (as the same is calculated by the Borrower to the satisfaction of the Facility Agent) to (2) Net Interest Bearing Debt for the same Relevant Period is equal to or higher than 50%, the higher of €35,000,000 and 5% of the Gross Interest Bearing Debt; and
 - (ii) at all other times, the higher of €50,000,000 and 7.5% of the Gross Interest Bearing Debt;
- (c) **Fair Market Value:** the aggregate of (i) Cash and Cash Equivalents (including any Cash and Cash Equivalents that may be subject to any Security Interest and/or restrictions but excluding any undrawn and available amounts under any committed revolving and overdraft credit facilities set out in paragraph (c) of the definition of Cash and Cash Equivalents) and (ii) the Fair Market Value of the Ships is more than 140% of the Gross Interest Bearing Debt of the Group (calculated on a consolidated basis), provided that the first Test Date in relation to the Fair Market Value shall be the Test Date falling immediately after the upgrade of the Group’s existing O-class vessels but no later than on 31 March 2024; and
- (d) **Debt Service:** the Debt Service Coverage Ratio in respect of the Borrower for the Relevant Period ending on such Test Date shall be more than 2:1, provided that where the Debt Service Coverage Ratio for any Test Date is not more than 2:1, then clause 7.4 (*Mandatory prepayment – Debt Service Coverage Ratio*) shall apply.

21.3 Financial testing

The financial covenant set out in clause 21.2 (*Financial Condition*) shall be calculated:

- (a) in accordance with GAAP and tested every six (6) Months, on each Test Date, by reference to each of the financial statements delivered pursuant to clause 19.1 (*Financial statements*)

and each Compliance Certificate delivered pursuant to clause 19.2 (*Provision and contents of Compliance Certificate*); and

- (b) on a twelve (12) month rolling basis.

21.4 Re-negotiation on a Merger Transaction

In the event that the Merger Transaction is completed, the Parties agree to negotiate, in good faith, amendments to be made to this clause 21 (*Financial Covenants*) to reflect the revised credit profile of the Borrower following such Merger Transaction. The Parties shall endeavour to agree such changes and enter in an amendment agreement to reflect the same within thirty (30) days of the completed Merger Transaction date.

22 General Undertakings

The Borrower undertakes that this clause 22 will be complied with (by and in respect of itself and, where specified below, each other Group Member) throughout the Facility Period.

22.1 Use of proceeds

The Borrower shall use the proceeds of the Utilisation exclusively for the purposes specified in clause 3 (*Purpose*).

22.2 Authorisations

The Borrower shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect;
- (b) supply copies to the Facility Agent of;
and
- (c) at all times comply with the material requirements
of:

any Authorisation required under any law or regulation of a Relevant Jurisdiction to enable it to perform its obligations under the Finance Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document.

22.3 Compliance with laws

- (a) The Borrower shall comply in all respects with all laws, regulations and codes (including Environmental Laws and any Authorisations obtained under them) to which it may be subject, if failure to so comply would materially impair its ability to perform its obligations under the Finance Documents to which it is a party.
- (b) Environmental Laws (and any consents, licences or approvals obtained under them) applicable to the Group or the assets of the Group will not be violated in a way which might have a Material Adverse Effect.

22.4 Tax compliance

The Borrower shall pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties which, in aggregate, would have Material Adverse

Effect, save in respect of any taxes and dues which are disputed in good faith by it and in respect of which adequate reserves with respect thereto have been established.

22.5 Pari passu ranking

The Borrower's payment obligations under the Finance Documents to which it is, or is to be, a party rank and continue to rank at least pari passu with the claims of all of its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

23 Negative Undertakings

The Borrower undertakes that this clause 23 will be complied with (by and in respect of itself and, where applicable, each other Group Member) throughout the Facility Period.

23.1 Sanctions

- (a) The Borrower shall not directly or indirectly, use or permit to be used or authorise any other person to use, lend make payments of, contribute or otherwise make available all or any part of the proceeds of the Facility or other transactions contemplated by this Agreement, to fund any trade business or other activities involving or for the benefit of any Prohibited Person or in any country or territory that at the time of such funding is the subject of Sanctions, or in any other manner that would reasonably be expected to result in a violation of Sanctions by the Borrower or any Finance Parties or in any such party becoming a Prohibited Person.
- (b) The Borrower shall not use any funds identified as derived from any activity in a Sanctioned Country or dealing with any Prohibited Person or entity which is listed on a Sanctions List or any other transactions which would be prohibited by Sanctions or would otherwise cause any Finance Party to be in breach of Sanctions, for the purpose of discharging amounts owing to the Finance Parties in respect of the Finance Documents.
- (c) The Borrower shall not (and shall use reasonable endeavours to ensure that no Group Member shall) violate Sanctions applicable to it or a Finance Party.
- (d) The Borrower shall promptly notify the Lenders if it is informed of or it becomes aware of any transaction in connection with the proceeds of the Facility that may cause any of the Lenders to, whether directly or indirectly, breach Sanctions applicable to them.

23.2 Anti-corruption law

- (a) The Borrower shall not directly or indirectly use the proceeds of the Facility for any purpose which would breach the UK Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar anti-corruption or anti-money laundering legislation in other jurisdictions.
- (b) The Borrower shall (and shall ensure that each other Group Member and any of their respective Subsidiaries, directors, officers and employees will):
 - (i) conduct its businesses in compliance with applicable anti-corruption laws and anti-money laundering laws;
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws; and
 - (iii) not use the proceeds of the Facility for the purpose of financing any payments that could constitute a violation of any applicable anti-corruption laws or anti-money laundering laws.

23.3 Intentionally Deleted

23.4 Negative pledge

- (a) The Borrower shall not grant or allow to exist any Security Interest over any of its assets.
- (b) In this Agreement, **Quasi-Security** means an arrangement or transaction described in paragraph (a) below.
- (c) Without prejudice to clauses 23.5 (*Loans and Guarantees and Financial Indebtedness*), the Borrower shall not:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to, or re-acquired by any other Group Member;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into or permit to subsist any title retention arrangement;
 - (iv) enter into or permit to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (v) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- (d) Clauses 23.4(a), 23.4(b) and 23.4(c) shall not apply to any Security Interest or (as the case may be) Quasi-Security listed below:
 - (i) any netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (ii) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by the Borrower for the purpose of:
 - (A) hedging any risk to which the Borrower is exposed in its ordinary course of trading;
or
 - (B) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,excluding, in each case, any Security Interest or Quasi-Security under a credit support arrangement in relation to a hedging transaction;
 - (iii) any lien arising by operation of law and in the ordinary course of trading provided that the debt which is secured thereby is paid when due (taking into account any grace period for making such payment available under the applicable contract or under applicable law (if and as applicable)) or contested in good faith by appropriate proceedings and properly provisioned;
 - (iv) any Security Interest or Quasi-Security over or affecting any asset acquired by the Borrower after the date of this Agreement if:
 - (A) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that asset by the Borrower;

- (B) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by the Borrower; and
 - (C) the Security Interest or Quasi-Security is removed or discharged within 3 months of the date of acquisition of such asset;
 - (v) any Security Interest or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Borrower in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Borrower; and
 - (vi) any Security Interest or Quasi-Security securing indebtedness the aggregate outstanding principal amount of which does not exceed USD 5,000,000 (or its equivalent in other currencies) at any time.
- (e) Clauses 23.4(a), 23.4(b) and 23.4(c) shall not apply to any Security Interest over any vessel, any earnings, insurance, Charterer Agreements or any other contracts or charter arrangements in respect of a vessel, any shares in a Subsidiary or any other Security Interest required by any financier in respect of any secured Permitted Financial Indebtedness permitted under paragraph (b) and (c) of the definition of Permitted Financial Indebtedness, provided that (i) such Security Interest shall be first ranking and that no second lien or second ranking secured financing shall be permitted and (ii) the Borrower is in compliance with clause 23.5 (*Loans and Guarantees and Financial Indebtedness*) at all times.

23.5 Loans and Guarantees and Financial Indebtedness

- (a) Save as permitted under paragraph (c) and (d) below, the Borrower shall not:
 - (i) grant any loans or credit except in the ordinary course of business; or
 - (ii) give any guarantee or indemnity to or for the benefit of any person other than guarantees constituting Permitted Financial Indebtedness.
- (b) Subject to the terms of this clause 23.5, the Borrower shall not incur or allow to remain outstanding any Financial Indebtedness other than Permitted Financial Indebtedness.
- (c) The Borrower shall not incur any Permitted Financial Indebtedness set out in paragraph (e) of the definition of Permitted Financial Indebtedness unless the Borrower has, by no later than ten (10) Business Days prior to the proposed incurrence or advance of such Permitted Financial Indebtedness, delivered to the Facility Agent (in each case, in a form agreed between the Borrower and the Facility Agent (acting on the instructions of the Majority Lenders) or in such other form that is in form and substance satisfactory to the Facility Agent (acting on the instructions of the Majority Lenders)):
 - (i) updated financial projections and forward-looking forecasts taking into account the incurrence or advance of such Financial Indebtedness; and
 - (ii) calculations based on such updated financial projections showing how such Financial Indebtedness would affect the financial covenants set out in clause 21.2 (*Financial Condition*) during the next 24 (twenty-four) month period; and

where the Facility Agent (acting on the instructions of the Majority Lenders) determines based on such forecasts and calculations that financial covenants set out in clause 21.2 (*Financial Condition*) would not be satisfied as a result of such Financial Indebtedness being incurred or advanced, then the Borrower shall only be permitted to incur such Financial Indebtedness subject to the Borrower prepaying the Loan in accordance with clause 7.3 (*Mandatory prepayment – Forward-looking forecasts*).

- (d) Clause 23.5(a) to (c) shall not apply to:
- (i) any guarantee issued by the Borrower that is in relation to the performance by another Group Member of its obligations under the Charterer Agreements and any guarantee issued by the Borrower that is in relation to any other obligations of another Group Member, provided such guarantees are not in relation to any Financial Indebtedness of any Group Member and are usually issued by companies engaged in offshore wind turbine installation;
 - (ii) other than where permitted under paragraph (d)(i) above, any guarantees issued by the Borrower where the aggregate amount guaranteed pursuant to such guarantees does not exceed US\$2,000,000;
 - (iii) any trade credit granted by the Borrower to any of its customers on normal commercial terms and in the ordinary course of the Borrower's trading activities; and
 - (iv) any grant of loans or credit to any Group Member as set out in paragraph (c) of the definition of Permitted Financial Indebtedness provided that such loans or credit shall be subject to the Borrower ensuring that where the Borrower is required to make prepayments under clause 7.3 (*Mandatory prepayment – Forward-looking forecasts*), then any amount of such loans or credits that are not required to be utilised by such Group Member shall be transferred back to the Borrower and included as Cash Sweep Proceeds (as such term is defined in clause 7.3 (*Mandatory prepayment – Forward-looking forecasts*)).

23.6 Distributions and other payments

The Borrower shall not:

- (a) declare or pay (including by way of set-off, combination of accounts or otherwise) any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital) or any warrants for the time being in issue;
- (b) repay or distribute any dividend or share premium reserve;
- (c) pay:
 - (i) any management, advisory or other fee (other than fees or commission agreed on an arms' length basis to be payable to any shareholder in respect of any guarantee in respect of any newbuilding Ships contracted by any member of the Group; and
 - (ii) any other fees (provided that the aggregate amount of such other fees shall not exceed US\$2,500,000 at any time) to or to the order of any of its shareholders holding more than 10% of the voting rights in the Borrower;
- (d) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so;
or
- (e) make any payment (including by way of set-off, combination of accounts or otherwise) by way of interest, or repayment, redemption, purchase or other payment, in respect of any shareholder loan, loan stock or similar instrument,

except where:

- (i) such payment is made after the later of:
 - (A) the First Repayment Date;

- (B) the date on which the relevant Group Member has taken delivery of the WTIVs;
and
- (C) unless the Facility Agent (acting on the instructions of the Majority Lenders) has determined that the Merger Transaction is not reasonably likely to occur, the date on which the relevant Group Member has taken delivery of the vessels m.v. "Nessie" and "Siren";
- (ii) no Default has occurred and is continuing;
and
- (iii) the ratio of the Group Net Debt to Consolidated EBITDA, at the time of such payment does not exceed 2.75:1 and would also not exceed 2.75:1 if calculated on a pro forma basis after giving effect to such payment.

23.7 Merger

Save for the Merger Transaction, the Borrower shall not enter into any amalgamation, demerger, merger, consolidation, redomiciliation, legal migration or corporate reconstruction, unless the Borrower continues to exist and is the surviving entity.

23.8 Change of business

- (a) Except as approved, no substantial change will be made to the general nature of the business of the Borrower from that carried on at the date of this Agreement.
- (b) The Borrower shall remain the direct counterpart under the Charterer Agreements.

23.9 Disposals

The Borrower shall not (and shall ensure that none of its Subsidiaries shall) enter into a single transaction or a series of transactions, whether related or not and whether voluntarily or involuntarily, to sell, lease, transfer or otherwise dispose of any Ship except for any of the following disposals (so long as they are not prohibited by any other provision of the Finance Documents and provided that no disposal of a Ship shall occur through the sale of the shares of any Subsidiaries of the Borrower):

- (a) any chartering of Ships pursuant to Charterer Agreements;
- (b) any disposal of Ships between Group Members;
- (c) disposals of the two (2) NG2500x vessels named m.v. Leviathan and m.v. Hydra, each held for sale by Eneti Inc. or its Subsidiaries;
and
- (d) the disposal of any Ship, provided the Borrower has, by no later than ten (10) Business Days prior to the proposed disposal, delivered to the Facility Agent (in each case, in a form agreed between the Borrower and the Facility Agent (acting on the instructions of the Majority Lenders) or in such other form that is in form and substance satisfactory to the Facility Agent (acting on the instructions of the Majority Lenders)):
 - (i) updated financial projections and forward-looking forecasts taking into account such disposal;
and
 - (ii) calculations based on such updated financial projections showing how such disposal would affect the financial covenants set out in clause 21.2 (*Financial Condition*) during the next 24 (twenty-four) month period; and

where the Facility Agent (acting on the instructions of the Majority Lenders) determines based on such forecasts and calculations that financial covenants set out in clause 21.2 (*Financial Condition*) would not be satisfied as a result of such disposal being made, then

the Borrower shall only be permitted to make such disposal subject to the Borrower prepaying the Loan in accordance with clause 7.3 (*Mandatory prepayment – Forward-looking forecast*).

24 Consequences of breach of green loan provisions

24.1 Consequences of breach of green loan provisions

- (a) If any of the following events occur:
- (i) any representation, warranty or statement made or given or deemed to be made or given by the Borrower contained in clause 18.25 (*Green Loan Criteria*) is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
 - (ii) the Borrower fails to comply with the Green Loan Criteria and/or Green Loan Principles;
 - (iii) the Borrower fails to comply with any of the provisions referred to in clause 19.9 (*Green loan reporting*);
 - (iv) following any changes or amendments to the Green Loan Principles which materially conflicts with the Green Financing Framework, the Borrower does not promptly amend the Green Financing Framework to align with the updated Green Loan Principles; or
 - (v) the Borrower itself notifies the Facility Agent in writing that the Loans should not be classified as a Green Loan

(each a **Declassification Event**),

the Borrower shall notify the Facility Agent (other than in the case of paragraph (a)(iv) above) in writing no later than 10 Business Days after such event and each outstanding Loan shall, with immediate effect, be de-classified by the Facility Agent as a “Green Loan” or as otherwise “Green”. The Facility Agent shall notify the Borrower of any de-classification pursuant to this clause.

- (b) From the date on which a Declassification Event occurs in accordance with paragraph (a) above, the Borrower shall as soon as reasonably practicable and in any event within 10 Business Days of the Borrower becoming aware of a Declassification Event:
- (i) cease representing in all internal and external communications, announcements, marketing or publications that the Loan (or the relevant part thereof) is a “Green Loan” or is otherwise “Green”; and
 - (ii) ensure that all materials, announcements, publications and information it publishes relating to the Facility after such date no longer refers to it as a “Green Loan” or is otherwise “Green”.
- (c) The Parties hereby acknowledge and agree that a Declassification Event does not constitute a Default or Event of Default, and the Borrower shall not bear any liability to the Finance Parties as a result of the occurrence of a Declassification Event.

25 Events of Default

Provided that the Facility Agent (acting on the instructions of the Majority Lenders) has provided the Borrower with a Default Notice, each of the events or circumstances set out in this clause 25 (except clause 25.15 (*Acceleration*)) is an Event of Default.

25.1 Non-payment

The Borrower does not pay on the due date any amount payable pursuant to a Finance Document to which it is a party at the place at and in the currency in which it is expressed to be payable, unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error;
or
 - (ii) a Disruption Event;
and
- (b) payment is made within five (5) Business Days of its due date.

25.2 Financial covenant

The financial covenants set out in clause 21.2(*Financial Condition*) (other than clause 21.2(d)) is not met on any Test Date.

25.3 Other obligations

- (a) Subject to paragraph (b) below, the Borrower does not comply with any provision of the Finance Documents other than those referred to in clauses 4.4 (*Conditions subsequent*), 25.1 (*Non-payment*), 25.2 (*Financial covenant*) and clause 24.1 (*Consequences of breach of green loan provisions*).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and the failure is remedied within thirty (30) days of the earlier of (A) the Facility Agent giving notice to the Borrower and (B) the Borrower becoming aware of the failure to comply.

25.4 Misrepresentation

- (a) Subject to paragraph (b) below, any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is incorrect or misleading in any material respect when made or deemed to be made.
- (a) No Event of Default under paragraph (a) above will occur if the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within fifteen (15) Business Days of the earlier of (A) the Facility Agent giving notice to the Borrower and (B) the Borrower becoming aware of such misrepresentation.

25.5 Cross default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due or within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of that person as a result of an event of default (however described).

- (d) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of that person due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under paragraphs (a) to (d) above if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than €10,000,000 (or its equivalent in any other currency or currencies).

25.6 Insolvency

- (a) The Borrower or any Material Subsidiary:
 - (i) is unable or admits inability to pay its debts as they fall due;
 - (ii) is presumed to be unable or admits inability to pay its debts as they fall due;
 - (iii) is deemed to, or is declared to, be unable to pay its debts;
 - (iv) suspends or threatens to suspend making payments on any of its debts;
or
 - (v) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of the Borrower or any Material Subsidiary is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of the Borrower or any Material Subsidiary. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

25.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, provisional supervision, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower or any Material Subsidiary;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Borrower or any Material Subsidiary;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, provisional supervisor or other similar officer in respect of the Borrower or any Material Subsidiary (or any of its assets); or
 - (iv) enforcement of any Security Interest over any assets the Borrower or any Material Subsidiary having an aggregate value of more than €10,000,000 (or its equivalent in another currency or currencies),
or any analogous procedure or step is taken in any jurisdiction.
- (b) Paragraph (a) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement or, if earlier, the date on which it is advertised.

25.8 Creditors' process

- (a) Any expropriation, attachment, sequestration, distress, execution or any other analogous process or enforcement action affects any asset of the Borrower or any Material Subsidiary having an aggregate value of more than €10,000,000 (or its equivalent in another currency or currencies) and is not discharged within thirty (30) days (or, if shorter, the relevant statutorily prescribed time period) where such proceedings are not stayed or subject to appeal.
- (b) Any judgment or order for an amount in excess of €10,000,000 is made against the Borrower and is not stayed, discharged or complied with within thirty (30) days.

25.9 Cessation of business

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

25.10 Repudiation and rescission of Finance Documents

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document.

25.11 Litigation

In relation to the Borrower:

- (a) any litigation, alternative dispute resolution, arbitration or administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened; or
- (b) any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made,

in relation to any Finance Document or the transactions contemplated in the Finance Documents or against the Borrower or any of its assets, rights or revenues which is reasonably likely to have a Material Adverse Effect.

25.12 Material Adverse Effect

Any event or circumstance (including any change of law) occurs which has, or is reasonably likely to have, a Material Adverse Effect.

25.13 Unlawfulness

- (a) It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents.
- (b) Any Finance Document ceases to be in full force and effect or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective for any reason.

25.14 Conditions subsequent

Any requirement of clause 4.4 (*Conditions subsequent*) is not satisfied.

25.15 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing and provided that a Default Notice has been delivered by the Facility Agent to the Borrower, the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

- (a) cancel the Total Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (c) declare that all or part of the Loan be payable on demand, at which time it shall immediately become payable on demand by the Facility Agent.

Section 8 - Changes to Parties

26 Changes to the Lenders

26.1 Assignments and transfers by the Lenders

Subject to this clause 26, a Lender (the **Existing Lender**) may assign any of its rights or transfer any of its rights and obligations under any Finance Document to another bank or financial institution or to an insurer, reinsurer or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the **New Lender**).

26.2 Borrower consent

- (a) Provided that the Facility Agent notifies the Borrower of any proposed assignment or transfer by a Lender fifteen (15) days prior to the Transfer Date, the consent of the Borrower is not required for such assignment or transfer.
- (b) The Facility Agent will advise the Borrower of any such assignment or transfer in accordance with clause 26.7 (*Copy of Transfer Certificate to Borrower*).

26.3 Other conditions of assignment or transfer

- (a) An assignment or transfer will only be effective:
 - (i) on receipt by the Facility Agent of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the Borrower and the other Finance Parties as it would have been under if it had been an Original Lender;
 - (ii) on the performance by the Facility Agent of all necessary "know your customer" or similar checks under all applicable laws and regulations relating to any person that the Facility Agent (in its own capacity only, and not on behalf of another Finance Party) is required to carry out in relation to such assignment or transfer to a New Lender; and
 - (iii) if that Existing Lender assigns equal fractions of its Commitment and participation in the Loan and each Utilisation (if any) under the Facility.
- (b) Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with the Finance Documents on or prior to the date on which the transfer or assignment becomes effective in accordance with the Finance Documents and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

26.4 Fees

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Facility Agent (for its own account) a fee of \$5,000.

26.5 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
- (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of the Borrower;
 - (iii) the performance and observance by the Borrower or any other person of its obligations under the Finance Documents or any other documents;
 - (iv) the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents; or
 - (v) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,
- and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
- (i) has made (and shall continue to make) its own independent investigation and assessment of:
 - (A) the financial condition and affairs of the Borrower and their related entities in connection with its participation in this Agreement; and
 - (B) the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents;
- and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document;
- (ii) will continue to make its own independent appraisal of the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents; and
 - (iii) will continue to make its own independent appraisal of the creditworthiness of the Borrower and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this clause 26; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by the Borrower of its obligations under any Finance Document or by reason of the application of any Basel II Regulation to the transactions contemplated by the Finance Documents or otherwise.

26.6 Procedure available for assignment or transfer

- (a) Subject to the conditions set out in clause 26.3 (*Other conditions of assignment or transfer*) an assignment or transfer may be effected in accordance with paragraph (c) below when:
- (i) the Facility Agent executes an otherwise duly completed Transfer Certificate; and
 - (ii) the Facility Agent executes any document required under paragraph (a) of clause 26.3 (*Other conditions of assignment or transfer*) which may be necessary for it to execute in each case delivered to it by the Existing Lender and the New Lender duly executed by them and, in the case of any such other document, any other relevant person.

The Facility Agent shall, subject to paragraph (b) below, as soon as practicable after receipt by it of a Transfer Certificate and any such other document each duly completed, appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and such other document.

- (b) The Facility Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assignment or transfer to such New Lender.

- (c) On the Transfer Date:

- (i) to the extent that in the Transfer Certificate the Existing Lender seeks to be released from its obligations under the Finance Documents, the Existing Lender shall be released from further obligations towards the Borrower and the other Finance Parties under the Finance Documents and rights of the Borrower and the other Finance Parties against the Existing Lender under the Finance Documents shall be cancelled (being the **Discharged Rights Obligations**) (but the obligations owed by the Borrower under the Finance Documents shall not be released);
- (ii) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer its rights and obligations under this Agreement the Borrower and the Existing Lender shall be released from further obligations towards one another under this Agreement and their respective rights against one another under this Agreement shall be cancelled (being the **Discharged Rights and Obligations**);
- (iii) in the case of an assignment pursuant to paragraph (i) above, the New Lender shall assume obligations towards the Borrower and the other Finance Parties shall acquire rights against the New Lender which differ from the Discharged Rights and Obligations only insofar as the New Lender has assumed and/or the Borrower and the other Finance Parties acquired the same in place of the Existing Lender;
- (iv) in the case of a transfer pursuant to paragraph (ii) above, the Borrower who are a Party and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Borrower and the New Lender have assumed and/or acquired the same in place of the Borrower and the Existing Lender;
- (v) the other Finance Parties and the New Lender shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Existing Lender and the other Finance Parties shall each be released from further obligations to each other under the Finance Documents; and

(vi) the New Lender shall become a Party to the Finance Documents as a “Lender” for the purposes of all the Finance Documents.

- (d) Lenders may utilise procedures other than those set out in this clause 26.6 to assign or transfer their rights under the Finance Documents (but not, without the consent of the Borrower or unless in accordance with this clause 26.6 to obtain a release by the Borrower from the obligations owed to the Borrower by the Lenders nor the assumption of equivalent obligations by a New Lender) provided that they comply with the conditions set out in clause 26.2 (*Borrower consent*) and clause 26.3 (*Other conditions of assignment or transfer*).

26.7 Copy of Transfer Certificate to Borrower

The Facility Agent shall, as soon as practicable after it has executed a Transfer Certificate and any other document required under paragraph (b) of clause 26.3 (*Other conditions of assignment or transfer*), send a copy of that Transfer Certificate and such other documents to the Borrower.

26.8 Security over Lenders' rights

- (a) In addition to the other rights provided to Lenders under this clause 26, each Lender may without consulting with or obtaining consent from the Borrower, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:
- (i) any charge, assignment, pledge or other Security Interest to secure obligations to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) including, without limitation, any assignment of rights to a special purpose vehicle where a Security Interest over securities issued by such special purpose vehicle is to be created in favour of a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank); and
 - (ii) any charge, pledge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment, pledge or other Security Interest shall:

- (A) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment, pledge or other Security Interest for the Lender as a party to any of the Finance Documents; or
 - (B) require any payments to be made by the Borrower other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.
- (b) The limitations on assignments or transfers by a Lender set out in any Finance Document, in particular in clauses 26.1 (*Assignments and transfers by the Lenders*), 26.2 (*Borrower consent*) and 26.3 (*Other conditions of assignment or transfer*) shall not apply to the creation of Security pursuant to paragraph (a) above.
- (c) The limitations and provisions referred to in paragraph (b) above shall further not apply to any assignment or transfer of rights under the Finance Documents or of the securities issued by the special purpose vehicle, made by a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to a third party in connection with the enforcement of Security created pursuant to paragraph (a) above.
- (d) Any Lender may disclose such Confidential Information as that Lender shall consider appropriate to a federal reserve or central bank (including, for the avoidance of doubt, the

European Central Bank) to (or through) whom it creates a Security Interest pursuant to paragraph (a) above, and any federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) may disclose such Confidential Information to a third party to whom it assigns or transfers (or may potentially assign or transfer) rights under the Finance Documents or the securities issued by the special purpose vehicle in connection with the enforcement of such Security Interest.

27 Changes to the Borrower

The Borrower may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents unless approved or expressly permitted under the Finance Documents.

Section 9 - The Finance Parties

28 Roles of Facility Agent, Mandated Lead Arranger and Green Loan Co-ordinator

28.1 Appointment of Facility Agent

Each other Finance Party (other than the Facility Agent) appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.

28.2 Authorisation of Facility Agent

Each of the Finance Parties authorises the Facility Agent:

- (a) to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions; and
- (b) to execute all other documents that may be approved for execution by it.

28.3 Instructions to Facility Agent

- (a) The Facility Agent shall:
 - (i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by:
 - (A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
 - (B) in all other cases, the Majority Lenders; and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).
- (b) The Facility Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Facility Agent may refrain from acting unless and until it receives those instructions or that clarification.
- (c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Finance Document and, unless a contrary indication appears in a Finance Document, any instructions given to the Facility Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) Paragraph (a) above shall not apply:
 - (i) where a contrary indication appears in a Finance Document;
 - (ii) where a Finance Document requires the Facility Agent to act in a specified manner or to take a specified action;

- (iii) in respect of any provision which protects the Facility Agent's own position in its personal capacity as opposed to its role of the Facility Agent for the Finance Parties including, without limitation, clauses 28.8 (*No duty to account*) to clause 28.13 (*Exclusion of liability*), clause 28.17 (*Confidentiality*) to clause 28.22 (*Reliance and engagement letters*).
- (e) If giving effect to instructions given by any other Finance Party or group of Finance Parties would (in the Facility Agent's opinion) have an effect equivalent to an amendment or waiver which is subject to clause 37 (*Amendments and waivers*), the Facility Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than itself) whose consent would have been required in respect of that amendment or waiver.
- (f) The Facility Agent shall act on the instructions of a Lender provided in connection with any split of its Commitment under clause 37.5 (*Split voting*) and shall not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with such instructions.
- (g) The Facility Agent may refrain from acting in accordance with any instructions of any other Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.
- (h) In the absence of instructions, the Facility Agent may act (or refrain from acting) as it considers to be appropriate.

28.4 Legal or arbitration proceedings

The Facility Agent is not authorised to act on behalf of another Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document.

28.5 Duties of the Facility Agent

- (a) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Facility Agent shall as soon as practicable forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.
- (c) Without prejudice to clause 26.7 (*Copy of Transfer Certificate to Borrower*), paragraph (b) above shall not apply to any Transfer Certificate.
- (d) The Facility Agent is not obliged to verify any signature, review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Facility Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall as soon as practicable notify the other Finance Parties.
- (f) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent, the Mandated Lead Arranger or the Green Loan Co-ordinator for their own account) under this Agreement, it shall as soon as practicable notify the other Finance Parties.

- (g) The Facility Agent shall provide to the Borrower, within three (3) Business Days of a request by the Borrower (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments and the address (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Facility Agent to that Lender under the Finance Documents.
- (h) The Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

28.6 Role of the Mandated Lead Arranger

Except as specifically provided in the Finance Documents, the Mandated Lead Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document or the transactions contemplated by the Finance Documents.

28.7 No fiduciary duties

Nothing in any Finance Document constitutes the Facility Agent, the Green Loan Co-ordinator or the Mandated Lead Arranger as a trustee or fiduciary of any other person.

28.8 No duty to account

None of the Facility Agent, the Green Loan Co-ordinator or the Mandated Lead Arranger shall be bound to account to any other Finance Party for any sum or the profit element of any sum received by it for its own account.

28.9 Business with the Group

The Facility Agent, the Green Loan Co-ordinator and the Mandated Lead Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with the Borrower or other Group Member or their Affiliates.

28.10 Rights and discretions of the Facility Agent

- (a) The Facility Agent may:
 - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised and shall have no duty to verify the signature on any document;
 - (ii) assume that:
 - (A) any instructions received by it from the Majority Lenders, any Lenders or other Finance Parties or any group of Lenders or other Finance Parties are duly given in accordance with the terms of the Finance Documents; and
 - (B) unless it has received notice of revocation, that those instructions have not been revoked;

- (iii) rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
 - (b) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the other Finance Parties) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under clause 25.1 *Non-payment*);
 - (ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and
 - (iii) any notice or request made by the Borrower (other than the Utilisation Request) is made on behalf of and with the consent and knowledge of all the Borrower.
 - (c) The Facility Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts.
 - (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Facility Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to it (and so separate from any lawyers instructed by the Lenders or any other Finance Party) if it, in its reasonable opinion, deems this to be desirable.
 - (e) The Facility Agent may rely on the advice or services of any lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts (whether obtained by it or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
 - (f) The Facility Agent may act in relation to the Finance Documents through its officers, employees and agents and shall not:
 - (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person,unless such error or such loss was directly caused by the Facility Agent's fraud, gross negligence or wilful misconduct.
 - (g) Unless any Finance Document expressly specifies otherwise, the Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent or security trustee under this Agreement.
 - (h) Notwithstanding any other provision of any Finance Document to the contrary, none of the Facility Agent nor the Green Loan Co-ordinator is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
-

- (i) Notwithstanding any provision of any Finance Document to the contrary, neither the Facility Agent nor the Mandated Lead Arranger is obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
- (j) None of the Facility Agent, the Mandated Lead Arranger nor the Green Loan Co-ordinator shall be obliged to request any certificate, opinion or other information under clause 19 (*Information undertakings*) unless so required in writing by a Lender, in which case the Facility Agent shall as soon as practicable make the appropriate request of the Borrower if such request would be in accordance with the terms of this Agreement.
- (k) Nothing in this Agreement shall require the Facility Agent to carry on an activity of the kind specified by any provision of Part I of Schedule 2 of the Securities and Futures Act (Chapter 289 of Singapore), or to lend money to the Borrower in its capacity as Facility Agent.
- (l) The Facility Agent shall be entitled to deal with money paid to it by any person for the purposes of this Agreement in the same manner as other money paid to a banker by its customers except that it shall not be liable to account to any person for any interest (save where expressly agreed) or other amounts in respect of the money.
- (m) The fees, commissions and expenses payable to the Facility Agent for services rendered and the performance of its obligations under this Agreement shall not be abated by any remuneration or other amounts or profits receivable by the Facility Agent (or by any of its associates) in connection with any transaction effected by the Facility Agent with or for the Lenders or the Borrower.

28.11 Responsibility for documentation and other matters

None of the Facility Agent, the Green Loan Co-ordinator or the Mandated Lead Arranger is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Green Loan Co-ordinator, the Mandated Lead Arranger, the Borrower or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents;
- (d) the failure of the Borrower or any other party to perform its obligations under any Finance Document or the financial condition of any such person;
- (e) any other beneficiary failing to perform or discharge any of its duties or obligations under any Finance Document;
or
- (f) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by any applicable law or regulation relating to insider dealing or otherwise.

28.12 No duty to monitor

The Facility Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party or the Borrower of its obligations under any Finance Document;
or
- (c) whether any other event specified in any Finance Document has occurred.

28.13 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Facility Agent), the Facility Agent, will not be liable for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its fraud, gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document unless directly caused by its fraud, gross negligence or wilful misconduct;
 - (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs, losses, any diminution in value or any liability whatsoever (including, without limitation, for negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control;
or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event), breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party (other than the Facility Agent) may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against the Facility Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Facility Agent may rely on this clause subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if it has taken all necessary steps as soon as practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.

(d) Nothing in any Finance Document shall oblige the Facility Agent, the Mandated Lead Arranger or the Green Loan Co-ordinator to carry out

(i) any “know your customer” or other checks in relation to any person;
or

(ii) any check on the extent to which any transaction contemplated by any of the Finance Documents might be unlawful for any Finance Party or for any Affiliate of any Finance Party or for any Affiliate of any Finance Party,

on behalf of any other Finance Party and each other Finance Party confirms to the Facility Agent, the Mandated Lead Arranger and the Green Loan Co-ordinator that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent, the Mandated Lead Arranger or the Green Loan Co-ordinator.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Facility Agent, any liability of the Facility Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Facility Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Facility Agent at any time which increase the amount of that loss. In no event shall the Facility Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Facility Agent has been advised of the possibility of such loss or damages. The provisions of this clause shall survive the termination or expiry of this Agreement or the resignation or removal of the Facility Agent. The provisions of this clause shall survive the termination or expiry of this Agreement or the resignation or removal of the Facility Agent.

(f) Each indemnity given by a Party under or in connection with a Finance Document is a continuing obligation, independent of the party’s other obligations under or in connection with that or any other Finance Document and survives after that Finance Document is terminated. It is not necessary for a Finance Party to pay any amount or incur any expense before enforcing an indemnity under or in connection with this Agreement or any other Finance Document.

28.14 Lenders’ indemnity to the Facility Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their being reduced to zero) indemnify the Facility Agent, within three Business Days of demand, against any Losses (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them (otherwise than by reason of the relevant Facility Agent’s fraud, gross negligence or wilful misconduct) (or, in the circumstances contemplated pursuant to clause 31.12 (*Disruption to payment systems etc.*) notwithstanding the Facility Agent’s negligence, gross negligence, or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) in acting as Facility Agent, or exercising any authority conferred under, the Finance Documents (unless the Facility Agent has been reimbursed by the Borrower pursuant to a Finance Document).

(b) Subject to paragraph (c) below, the Borrower shall promptly on demand reimburse any Lender for any payment that Lender makes to the Facility Agent pursuant to paragraph (a) above.

(c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Facility Agent to the Borrower.

28.15 Resignation of the Facility Agent

- (a) The Facility Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrower.
- (b) Alternatively the Facility Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrower, in which case the Majority Lenders may appoint a successor Facility Agent.
- (c) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Facility Agent (after consultation with the Borrower) may appoint a successor Facility Agent.
- (d) The retiring Facility Agent shall make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents. The Borrower shall, within five (5) Business Days of demand, reimburse the retiring Facility Agent for the amount of all costs and expenses (including legal fees) (together with any applicable VAT) properly incurred by it in making available such documents and records and providing such assistance.
- (e) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (d) above) but shall remain entitled to the benefit of clauses 15.3 (*Indemnity to the Facility Agent*) and this clause 28 (and any agency or other fees for the account of the retiring Facility Agent in its capacity as such shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.

28.16 Replacement of the Facility Agent

- (a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Facility Agent (or, at any time the Facility Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Facility Agent by appointing a successor Facility Agent.
- (b) The retiring Facility Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents.
- (c) The appointment of the successor Facility Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Facility Agent. As from this date, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of clause 15.3 (*Indemnity to the Facility Agent*) and this clause 28 (and any agency fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Facility Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

28.17 Confidentiality

- (a) In acting as agent or trustee for the Finance Parties, the Facility Agent shall be regarded as acting through its agency, trustee or other division or department directly responsible for the management of the Finance Documents which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the legal person which is the Facility Agent, it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, none of the Facility Agent, the Mandated Lead Arranger nor the Green Loan Co-ordinator is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

28.18 Facility Agent's relationship with the Lenders

The Facility Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Facility Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

- (a) entitled to or liable for any payment due under any Finance Document on that day;
and
- (b) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

28.19 Information from the Finance Parties

Each Finance Party shall supply the Facility Agent with any information that the Facility Agent may reasonably specify as being necessary or desirable to enable the Facility Agent to perform its functions as Facility Agent.

28.20 Credit appraisal by the Finance Parties

Without affecting the responsibility of the Borrower for information supplied by it or on its behalf in connection with any Finance Document, each other Finance Party confirms to the Facility Agent, the Mandated Lead Arranger and the Green Loan Co-ordinator that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of the Borrower and other Group Member;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) the application of any Basel II Regulation or Basel III Regulation to the transactions contemplated by the Finance Documents;
- (d) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other

agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

- (e) the adequacy, accuracy or completeness of any information provided by the Facility Agent, the Green Loan Co-ordinator, the Mandated Lead Arranger or any other Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

28.21 Deduction from amounts payable by the Facility Agent

If any Party owes an amount to the Facility Agent under the Finance Documents the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

28.22 Reliance and engagement letters

Each of the Facility Agent, the Mandated Lead Arranger and the Green Loan Co-ordinator are hereby authorised by the other Finance Parties to enter into any reliance letter or engagement letter relating to any valuations, reports, opinions or letters or advice or assistance provided by lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts in connection with the Finance Documents or the transactions contemplated in the Finance Documents on such terms as it may consider appropriate (including, without limitation, restrictions on the lawyer's, accountant's, tax adviser's, insurance consultant's, ship manager's, valuer's, surveyor's or other professional adviser's or expert's liability and the extent to which their valuations, reports, opinions or letters may be relied on or disclosed).

29 Conduct of business by the Finance Parties

29.1 Finance Parties tax affairs

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

29.2 Finance Parties acting together

Notwithstanding clause 2.2 (*Finance Parties' rights and obligations*), if the Facility Agent makes a declaration under clause 25.15 (*Acceleration*) or (acting on the instructions of the Majority Lenders) notifies the other Finance Parties that it considers it is entitled to make such a declaration, the Facility Agent shall, in the names of all the Finance Parties, take such action on behalf of the Finance Parties and conduct such negotiations with the Borrower and generally administer the Facility in accordance with the wishes of the Majority Lenders. All the Finance Parties shall be bound by the provisions of this clause and no Finance Party shall be entitled to take action independently against the Borrower or any of its assets without the prior consent of the Majority Lenders.

30 Sharing among the Finance Parties

30.1 Payments to Finance Parties

If a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from the Borrower other than in accordance with clause 31 (*Payment mechanics*) (a **Recovered Amount**) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Facility Agent;
- (b) the Facility Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facility Agent and distributed in accordance with clause 31 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Facility Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the **Sharing Payment**) equal to such receipt or recovery less any amount which the Facility Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 31.6 (*Partial payments*).

30.2 Redistribution of payments

The Facility Agent shall treat the Sharing Payment as if it had been paid by the Borrower and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **Sharing Finance Parties**) in accordance with clause 31.6 (*Partial payments*) towards the obligations of the Borrower to the Sharing Finance Parties.

30.3 Recovering Finance Party's rights

On a distribution by the Facility Agent under clause 30.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from the Borrower, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by the Borrower.

30.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Facility Agent, pay to the Facility Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the **Redistributed Amount**); and
- (b) as between the Borrower and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by the Borrower.

30.5 Exceptions

- (a) This clause 30 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this clause, have a valid and enforceable claim against the Borrower.

- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
- (i) it notified that other Finance Party of the legal or arbitration proceedings;
 - (ii) the taking legal or arbitration proceedings was in accordance with the terms of this Agreement;
and
 - (iii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

Section 10 - Administration

31 Payment mechanics

31.1 Payments to the Facility Agent

- (a) On each date on which the Borrower or a Lender is required to make a payment under a Finance Document, the Borrower or Lender shall make the same available to the Facility Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facility Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Facility Agent) and with such bank as the Facility Agent, in each case, specifies.

31.2 Distributions by the Facility Agent

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to clause 31.3 (*Distributions to the Borrower*) and clause 31.4 (*Clawback and pre-funding*) be made available by the Facility Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facility Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

31.3 Distributions to the Borrower

The Facility Agent may (with the consent of the Borrower or in accordance with clause 32 (*Set-off*)) apply any amount received by it for the Borrower in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Borrower under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

31.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.
- (c) If the Facility Agent makes available amounts for the account of the Borrower before receiving funds from the Lenders then if and to the extent that the Facility Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:
 - (i) the Facility Agent shall notify the Borrower of that Lender's identity and the Borrower shall on demand refund it to the Facility Agent; and

- (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower, shall on demand pay to the Facility Agent the amount (as certified by the Facility Agent) which will indemnify the Facility Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

31.5 Impaired Agent

- (a) If, at any time, the Facility Agent becomes an Impaired Agent, the Borrower or a Lender which is required to make a payment under the Finance Documents to the Facility Agent in accordance with clause 31.1 (*Payments to the Facility Agent*) may instead either:
 - (i) pay that amount direct to the required recipient(s);
or
 - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of “Acceptable Bank” and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Borrower or the Lender making the payment (the **Paying Party**) and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the **Recipient Party** or **Recipient Parties**).

In each case such payments must be made on the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties pro rata to their respective entitlements.
- (c) A Party which has made a payment in accordance with this clause 31.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Facility Agent in accordance with this Agreement, each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Facility Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with clause 31.2 (*Distributions by the Facility Agent*).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
 - (i) that it has not given an instruction pursuant to paragraph (d) above;
and
 - (ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

31.6 Partial payments

- (a) If the Facility Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by the Borrower under those Finance Documents, the Facility Agent shall apply

that payment towards the obligations of the Borrower under the Finance Documents in the following order:

- (i) **first**, in or towards payment *pro rata* of any unpaid amount owing to the Facility Agent, the Green Loan Co-ordinator or the Mandated Lead Arranger for their own account under those Finance Documents;
 - (ii) **secondly**, in or towards payment to the Lenders *pro rata* of any amount owing to the Lenders under clause 28.14 (*Lenders' indemnity to the Facility Agent*);
 - (iii) **thirdly**, in or towards payment to the Lenders *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;
 - (iv) **fourthly**, in or towards payment to the Lenders *pro rata* of any principal which is due but unpaid under those Finance Documents; and
 - (v) **fifthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Facility Agent shall, if so directed by the Lenders, vary the order set out in paragraphs (ii) to (v) of paragraph (a) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by the Borrower.

31.7 No set-off by the Borrower

All payments to be made by the Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

31.8 Business Days

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

31.9 Currency of account

- (a) Subject to paragraphs (b) and (c) below, euros is the currency of account and payment for any sum due from the Borrower under any Finance Document.
- (b) A repayment of all or part of the Loan or an Unpaid Sum and each payment of interest shall be made in euros on its due date.
- (c) Each payment in respect of the amount of any costs, expenses or Taxes or other losses shall be made in euros and, if they were incurred in a currency other than euros, the amount payable under the Finance Documents shall be the equivalent in euros of the relevant amount in such other currency on the date on which it was incurred.

31.10 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facility Agent (after consultation with the Borrower); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facility Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Facility Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

31.11 Amounts paid in error

- (a) If the Facility Agent pays an amount to another Party and the Facility Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Facility Agent shall on demand refund the same to the Facility Agent.
- (b) Neither:
 - (i) the obligations of any Party to whom the Erroneous Payment was made, to the Facility Agent; nor
 - (ii) the remedies of the Facility Agent,

(whether arising under this clause 31.11 or otherwise in respect of an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Facility Agent or any other Party).
- (c) All payments to be made by a Party to whom the Erroneous Payment was made, to the Facility Agent (whether made pursuant to this clause 31.11 or otherwise) in respect of an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) In this Agreement, “**Erroneous Payment**” means a payment of an amount by the Facility Agent to another Party which the Facility Agent determines (in its sole discretion) was made in error.

31.12 Disruption to payment systems etc.

If either the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Facility Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Facility Agent may deem necessary in the circumstances;

- (b) the Facility Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Facility Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 37 (*Amendments and waivers*);
- (e) the Facility Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 31.12; and
- (f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

32 Set-off

A Finance Party may set off any matured obligation due from the Borrower under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

33 Notices

33.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by e-mail or letter.

33.2 Addresses

The address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of the Borrower or Finance Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower, that identified with its name in Schedule 1 (*The original parties*);
- (b) in the case of the Facility Agent and any other original Finance Party, that identified with its name in Schedule 1 (*The original parties*); and
- (c) in the case of each Lender or other Finance Party, that notified in writing to the Facility Agent on or prior to the date on which it becomes a Party in the relevant capacity,

or, in each case, any substitute address, e-mail address or department or officer as the Borrower or Finance Party may notify to the Facility Agent (or the Facility Agent may notify to the other Finance Parties and the Borrower who are Parties, if a change is made by the Facility Agent) by not less than five (5) Business Days' notice.

33.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if by way of e-mail, when received in legible form;
or
 - (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;and, if a particular department or officer is specified as part of its address details provided under clause 33.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Facility Agent will be effective only when actually received by the Facility Agent and then only if it is expressly marked for the attention of the department or officer identified in Schedule 1 (*The original parties*) (or any substitute department or officer as the Facility Agent shall specify for this purpose).
- (c) All notices from or to the Borrower shall be sent through the Facility Agent.
- (d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

33.4 Communication when Facility Agent is Impaired Agent

If the Facility Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Facility Agent, communicate with each other directly and (while the Facility Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Facility Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

33.5 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English;
or
 - (ii) if not in English, and if so required by the Facility Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document or if the original document is required or deemed to prevail by operation of law.

33.6 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

- (ii) notify each other of any change to their address or any other such information supplied by them by not less than five (5) Business Days' notice.
- (b) Any such electronic communication as specified in paragraph (a) above to be made between the Borrower and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication
- (c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and, in the case of any electronic communication made by a Party to the Facility Agent, only if it is addressed in such a manner as the Facility Agent shall specify for this purpose.
- (d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5:00 p. m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement or any other Finance Document shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this clause 33.6.

33.7 Use of Deal Site by the Facility Agent

- (a) The Facility Agent may elect that:
 - (i) the Borrower may satisfy its obligations under this Agreement to deliver any information to the Facility Agent;
 - (ii) any Lender may satisfy its obligations under this Agreement to deliver any information to the Facility Agent; and/or
 - (iii) the Facility Agent may satisfy its obligations under this Agreement to deliver any information to the Borrower or any Lender,

by posting such information on an electronic website designated by the Facility Agent for such purpose (**the Deal Site**) by notifying each such affected Borrower and Lender of its intention that such Deal Site be used for such purpose (whereupon the Borrower or Lender or the Facility Agent may so satisfy such obligations). Any Utilisation Request or notification of rates of interests in accordance with clause 9.4 (*Notification of rates of interest*) may also be notified to the Lenders by email in accordance with clause 33.1 (*Communications in writing*).

- (b) Any reasonable costs and expenses incurred by the Facility Agent in relation to the Deal Site shall be for the account of the Borrower, provided that the prior written consent of the Borrower shall have been obtained in respect of such costs and expenses. If applicable, the Borrower consents to the use of its logo on the Deal Site.
- (c) The Facility Agent shall, at its discretion or upon request of the relevant Party, disclose the website (or other electronic) address of and any relevant password specifications for the Deal Site (**Access Information**) to one or more officers, directors, employees or other

representatives (**Deal Site Representatives**) of each Party that the Facility Agent has elected to deliver information to or receive information from through the Deal Site.

- (d) Each Party using the Deal Site agrees to:
 - (i) keep all Access Information confidential and not to disclose it to anyone, other than such of its Deal Site Representatives as it has requested the Facility Agent to provide Access Information to; and
 - (ii) ensure that all persons to whom they give access can properly receive the information available on the Deal Site, including (in the case of a Lender) under clause 38.2 (*Disclosure of Confidential Information*).
- (e) If the Deal Site is not available for any reason, promptly following this being brought to its attention, the Facility Agent shall provide communications to the affected Parties by another means as contemplated by this clause 33 (*Notices*). A Party will notify the Facility Agent promptly if it is (despite being in receipt of the relevant Access Information) unable to access or use the Deal Site or if it becomes aware that the Deal Site is or has been infected by an electronic virus or similar software.
- (f) Each of the Parties agrees that:
 - (i) the Facility Agent shall not be liable for any cost, loss or liability incurred by any Party as a result of its access or use of the Deal Site or its inability to access or use the Deal Site; and
 - (ii) the Facility Agent is under no obligation to monitor access to or the availability of the Deal Site.
- (g) The Facility Agent may terminate a Deal Site at any time. If such termination occurs whilst amounts remain outstanding under the Facility the Facility Agent shall (unless such termination arises as a result of technical failure of the Deal Site (including as a result of infection by an electronic virus or similar software) or as a result of a concern as to the security and confidentiality of the Deal Site), if reasonably practicable, give not less than one (1) day's prior notice to each affected Party of such termination.

34 Calculations and certificates

34.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

34.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

34.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and the amount of any such interest, commission or fee is calculated:

- (a) on the basis of the actual number of days elapsed and a year of 360 days (or, in any case where the practice in the Relevant Market differs, in accordance with that market practice); and
- (b) without rounding.

35 Partial invalidity

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

36 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

37 Amendments and waivers

37.1 Required consents

- (a) Subject to clause 37.2 (*All Lender matters*) and clause 37.3 (*Other exceptions*), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrower and any such amendment or waiver will be binding on all the Finance Parties.
- (b) The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause 37.
- (c) Without prejudice to the generality of paragraphs (c), (d) and (e) of clause 28.10 (*Rights and discretions of the Facility Agent*), the Facility Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.

37.2 All Lender matters

Subject to clause 37.4 (*Changes to reference rates*) an amendment, waiver or discharge or release or a consent of, or in relation to, any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definition of "Change of Control" in clause 1.1 (*Definitions*);
- (b) the definition of "Majority Lenders" in clause 1.1 (*Definitions*);
- (c) the definition of "Last Availability Date" in clause 1.1 (*Definitions*);

- (d) the definition of “Prohibited Person”, “Sanctions Authority” and “Sanctions List” in clause 1.1 (*Definitions*);
- (e) an extension to the date of payment of any amount under the Finance Documents;
- (f) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable or the rate at which they are calculated;
- (g) a change to the Borrower;
- (h) any provision which expressly requires the consent or approval of all the Lenders;
- (i) clause 30 (*Sharing among the Finance Parties*);
- (j) clause 2.3 (*Finance Parties’ rights and obligations*), clause 5.1 (*Delivery of a Utilisation Request*), clause 7.1 (*Illegality*), clause 18.18 (*Anti-corruption law*), clause 18.23 (*Sanctions*), clause 23.1 (*Sanctions*), clause 23.2 (*Anti-corruption law*), clause 26 (*Changes to the Lenders*), clause 8.8 (*Application of cancellation and prepayments*), this clause 37, clause 43 (*Governing law*) or clause 44.1 (*Jurisdiction of English courts*);
- (k) the order of distribution under clause 31.6 (*Partial payments*);
- (l) the currency in which any amount is payable under any Finance Document;
- (m) an increase in any Commitment or the Total Commitments, an extension of any period within which the Facility is available for Utilisation or any requirement that a cancellation of Commitments reduces the Commitments rateably;
- (n) clause 24 (*Consequences of breach of green loan provisions*),

shall not be made, or given, without the prior consent of all the Lenders.

37.3 Other exceptions

- (a) Any amendment, waiver or discharge or release or a consent which relates to the rights or obligations of the Facility Agent, the Green Loan Co-ordinator or the Mandated Lead Arranger in their respective capacities as such (and not just as a Lender) under the Finance Documents may not be effected without the consent of the Facility Agent, the Green Loan Co-ordinator or the Mandated Lead Arranger (as the case may be).
- (b) Notwithstanding clauses 37.1 (*Required consents*) and 37.2 (*All Lender matters*) and paragraph (a) above, the Facility Agent may make technical amendments to the Finance Documents arising out of manifest errors on the face of the Finance Documents, where such amendments would not prejudice or otherwise be adverse to the interests of any Finance Party without any reference or consent of the Finance Parties.

37.4 Changes to reference rates

- (a) Subject to clause 37.2 (*All Lender Matters*), if a Screen Rate Replacement Event has occurred, any amendment or waiver which relates to:
 - (i) providing for the use of a Replacement Reference Rate in place of the Screen Rate; and
 - (ii) any or all of the following:
 - (A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

- (B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
- (C) implementing market conventions applicable to that Replacement Reference Rate;
- (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate;
or
- (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Borrower.

- (b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on the Loan under this Agreement to any recommendation of a Relevant Nominating Body which:
 - (i) relates to the use of the Screen Rate in the international or any relevant domestic syndicated loan markets;
and
 - (ii) is issued on or after the date of this Agreement,

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Borrower.

- (c) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) above within ten (10) Business Days (or such longer time period in relation to any request which the Borrower and the Facility Agent may agree) of that request being made:
 - (i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the Facility when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and
 - (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.
- (d) In this clause 37.4:

Relevant Nominating Body means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Replacement Reference Rate means a benchmark rate which is:

- (a) formally designated, nominated or recommended as the replacement for the Screen Rate
by:

- (i) the administrator of the Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by the Screen Rate); or
- (ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under paragraph (ii) above;

- (b) in the opinion of the Majority Lenders and the Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the Screen Rate; or
- (c) in the opinion of the Majority Lenders and the Borrower, an appropriate successor to the Screen Rate.

Screen Rate Replacement Event means:

- (a) the methodology, formula or other means of determining the Screen Rate has, in the opinion of the Majority Lenders and the Borrower materially changed;
- (b) any of the following applies:
 - (i) either:
 - (A) the administrator of the Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the Screen Rate is insolvent,provided that, in each case, at that time, there is no successor administrator to continue to provide the Screen Rate;
 - (ii) the administrator of the Screen Rate publicly announces that it has ceased or will cease, to provide the Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Screen Rate;
 - (iii) the supervisor of the administrator of the Screen Rate publicly announces that the Screen Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of the Screen Rate or its supervisor announces that the Screen Rate may no longer be used; or
- (c) the administrator of that Screen Rate determines that that Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrower) temporary; or

(ii) the Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than thirty (30) days;
or

(d) in the opinion of the Majority Lenders and the Borrower, the Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

37.5 Split voting

(a) For the purposes of responding (or failing to respond) to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of the Lenders under the terms of this Agreement, a Lender may split its Commitment into any number of portions and may respond (or fail to respond) or otherwise exercise its rights in respect of each such individual portion on a several basis.

(b) If a Lender exercises its rights under paragraph (a) above in respect of any part of its Commitment, such Lender shall notify the Facility Agent of the portions into which it has split its Commitment.

38 Confidential Information

38.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by clause 38.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

38.2 Disclosure of Confidential Information

Any Finance Party, its Affiliates and their respective directors, officers and employees may disclose:

(a) to any of its Affiliates (including, for the avoidance of doubt, its head office and branches of its head office) and head office, branch or representative officers and/or any of its or their officers, directors, employees, professional advisers, auditors, partners, insurers, insurance brokers, third party service providers and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Facility Agent and, to any of that person's Affiliates, Representatives, agents and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any participation or sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Borrower and to any of that person's Affiliates, Representatives, agents and professional advisers;

- (iii) appointed by any Finance Party or by a person to whom paragraphs (b)(i) or (b)(ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraphs (b)(i) or (b)(ii) above;
- (v) to whom information is required or requested to be disclosed by any court or tribunal of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes. The relevant Finance Party shall endeavour to notify the Borrower of any such disclosure provided that such Finance Party is not restricted from doing so;
- (vii) to any third party service provider which provides services of any kind to any Finance Party on a need-to-know basis, or where such disclosure is made to the third party service provider as a routine part of the scope of work performed by such third party service provider, in connection with the operation of its business and, in each case, who is under a duty of confidentiality to that Finance Party;
- (viii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to clause 26.8 (*Security over Lenders' rights*);
- (ix) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (x) who is a Party;
or
- (xi) with the consent of the
Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
- (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the

opinion of that Finance Party, it is not practicable so to do in the circumstances; and

- (D) provided always that where such disclosure involves the disclosure of personal data to which Parts III to VI of the Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore applies, the Finance Party shall so disclose only for the Purposes (as defined in clause 38.6 (*Personal Data*)).
- (c) to any person appointed by that Finance Party or by a person to whom paragraphs (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration / Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party;
 - (d) to any rating agency such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Borrower provided that the prior written consent of the Borrower has been obtained in relation to such disclosure to that rating agency. The consent of the Borrower to disclose to a rating agency must not be unreasonably withheld or delayed. The Borrower will be deemed to have given its consent ten (10) Business Days after a Finance Party has requested it unless consent is expressly refused by the Borrower within that time;
 - (e) to any person who is a person, or who belongs to a class of persons, specified in the second column of the Third Schedule to the Banking Act Chapter 19 of Singapore; and
 - (f) to any direct or indirect provider of credit protection to any Finance Party or Affiliate of any Finance Party (or its brokers).

Nothing in this clause shall be deemed to constitute, an express or implied agreement by any Finance Party with the Borrower for a higher degree of confidentiality than that prescribed in Section 47 of, and in the Third Schedule to, the Banking Act 1970 of Singapore.

38.3 Entire agreement

This clause 38 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

38.4 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

38.5 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made to any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body or the rules of any relevant stock exchange or pursuant to any applicable law or regulation pursuant to clause 38.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any such person during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this clause 38.

38.6 Personal Data

- (a) If the Borrower provides the Finance Parties with personal data of any individual as required by, pursuant to, or in connection with the Finance Documents, the Borrower represents and warrants to the Finance Parties that it has, to the extent required by law, (i) notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed; and (ii) obtained such individual's consent for, and hereby consents on behalf of such individual to the collection, processing, use and disclosure of his/her personal data by the Finance Parties, in each case, in accordance with or for the purposes of the Finance Documents, and confirms that it is authorised by such individual to provide such consent on his/her behalf.
- (b) The Borrower agrees and undertakes to notify the Finance Parties promptly upon its becoming aware of the withdrawal by the relevant individual of his/her consent to the collection, processing, use and/or disclosure by the Finance Parties of any personal data provided by the Borrower to the Finance Parties.
- (c) Any consent given pursuant to this Agreement in relation to personal data shall, subject to all applicable laws and regulations, survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of this Agreement.

38.7 Continuing obligations

The obligations in this clause 38 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve (12) months from the earlier of:

- (a) the date on which all amounts payable by the Borrower under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

39 Confidentiality of Funding Rates

39.1 Confidentiality and disclosure

- (a) The Facility Agent and the Borrower agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.
- (b) The Facility Agent may disclose:
 - (i) any Funding Rate to the Borrower pursuant to clause 9.4 (*Notification of rates of interest*); and
 - (ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that

information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Facility Agent and the relevant Lender.

- (c) The Facility Agent may disclose any Funding Rate, and the Borrower may disclose any Funding Rate, to:
- (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the Borrower, as the case may be, it is not practicable to do so in the circumstances;
 - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the Borrower, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender, as the case may be.

39.2 Related obligations

- (a) The Facility Agent and the Borrower acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Facility Agent and the Borrower undertake not to use any Funding Rate for any unlawful purpose.
- (b) The Facility Agent and the Borrower agree (to the extent permitted by law and regulation) to inform the relevant Lender:
 - (i) of the circumstances of any disclosure made pursuant to clause 39.1(c)(ii) (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this clause 39.

39.3 No Event of Default

No Event of Default will occur under clause 25.3 (*Other obligations*) by reason only of the Borrower's failure to comply with this clause 39.

40 Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

41 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

42 HK Stay Rules

- (a) If any Finance Document is or becomes a “covered contract” (within the meaning of the Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights – Banking Sector) Rules (Cap. 628C) of Hong Kong (the “**Stay Rules**”)), the parties agree that, despite any other term or conditions of any Finance Document or any other agreement, arrangement or understanding, the parties (other than an excluded counterparty (within the meaning of the Stay Rules)) will be bound by a suspension of a “termination right” (within the meaning of the Stay Rules) in relation to such Finance Document imposed by the HK Resolution Authority under section 90(2) of the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong.

- (b) For the purpose of this Clause 42:

HK Resolution Authority means the resolution authority in relation to a banking sector entity from time to time, which is currently the Hong Kong Monetary Authority.

Section 11 - Governing Law and Enforcement

43 Governing law

This Agreement and any non-contractual obligations connected with it are governed by English law.

44 Enforcement

44.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Agreement) (a **Dispute**).
- (b) The Parties agree that the courts of England are the sole and most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

44.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, the Borrower:

- (a) irrevocably appoints the person named in Schedule 1 (*The original parties*) as the Borrower's English process agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;
- (b) agrees that failure by an agent for service of process to notify the Borrower of the process will not invalidate the proceedings concerned; and
- (c) if any person appointed as process agent for the Borrower is unable for any reason to act as agent for service of process, the Borrower must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
The original parties

Borrower

Name:	Cadeler A/S
Original Jurisdiction	Denmark
Registration number (or equivalent, if any)	CVR 31180503
Registered office	Arne Jacobsens Allé 7, 7 2300 Copenhagen S Denmark
Address for service of notices	Arne Jacobsens Allé 7, 7 2300 Copenhagen S Denmark Email: peter.brogaard@cadeler.com and mathias.hartmann@cadeler.com Attention: Peter Brogaard Hansen, CFO, and Mathias Trustrup Hartmann
English process agent	Elemental Process Agent Limited 27 Old Gloucester Street London WC1N 3AX Registered number 01745936

The Original Lenders and their Commitments

Name	Facility Office, address, email and attention details for notices	Account details for payments	Commitment (€)
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	Address: 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #46-01 Singapore 018983 (a) For credit matters: Name: Valerie Tan Address: 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #46-01 Singapore 018983 Telephone number: + 65 6658 6305 Email address: valerie.e.tan@hsbc.com.sg (b) For loan administration matters: Name: Jerhythm Lim / Jasmine Phoon / Dean Koh Address: 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #46-01 Singapore 018983 Telephone number: + 65 6658 0999 / +65 6658 6130 / +65 6658 6007 Email address: jerhythm.lim@hsbc.com.sg / jasmine.m.z.phoon@hsbc.com.sg / deankoh@hsbc.com.sg	Beneficiary Bank: HSBC Bank, France (SWIFT: CCFRFRPP) For a/c of The Hongkong and Shanghai Banking Corporation Limited, Singapore (SWIFT: HSBCSGSG) Account No: FR7630056000100010000444628 Attn: HOST Operation – Credit Services (Corp) Ref: <i>customer name</i> (e.g. <i>Payment of Loan Principal / Interest / Upfront Fee</i>)	50,000,000
TOTAL			€50,000,000

The Mandated Lead Arranger

Name	Facility Office, address, email and attention details for notices
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	<p>Address: 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #46-01 Singapore 018983</p> <p>(a) For credit matters: Name: Valerie Tan Address: 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #46-01 Singapore 018983 Telephone number: + 65 6658 6305 Email address: valerie.e.tan@hsbc.com.sg</p> <p>(b) For loan administration matters: Name: Jerhythm Lim / Jasmine Phoon / Dean Koh Address: 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #46-01 Singapore 018983 Telephone number: + 65 6658 0999 / +65 6658 6130 / +65 6658 6007 Email address: Jerhythm/lim@hsbc.com.sg / jasmine.m.z.phoon@hsbc.com.sg / deankoh@hsbc.com.sg</p>

The Facility Agent

Name	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Facility Office, address, email address and attention details for notices	<p>Address: 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #46-01 Singapore 018983 Fax: +65 6225 3770 Email as follows: For queries or general queries sgloan.agency.queries@hsbc.com.sg</p> <p>For instructions sgloan.agency.instructions@hsbc.com.sg</p> <p>With a copy for all emails to: lousia.h.tan@hsbc.com.sg joice.tjen@hsbc.com.sg jefferyjuri@hsbc.com.sg abdulhakeemhajiosm@hsbc.com.sg</p> <p>Attention: Issuer Services – Louisa Tan / Joice Tjen / Abdul Hakeem Haji Osman / Jeffery Juri</p> <p>Telephone Number: +65 6658 4147 / +65 6658 0871 / +65 6658 6406 / +65 6658 5174</p>

The Green Loan Co-ordinator

Name	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Facility Office, address, email address and attention details for notices	The Hongkong and Shanghai Banking Corporation Limited Address: Level 16, HSBC Main Building, 1 Queen's Road Central, Hong Kong Name: Prachi Sejpal Telephone number: +852 2841 8204 Email address: prachi.sejpal@hsbc.com.hk

Schedule 2 Conditions precedent

1 **Borrower's corporate documents**

- (a) A copy of the Constitutional Documents of the Borrower.
- (b) A copy of a resolution of the board of directors of the Borrower:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party (its **Relevant Documents**) and resolving that it execute, deliver and perform the Relevant Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute its Relevant Documents on its behalf;
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with its Relevant Documents; and
 - (iv) containing a specimen of the signature for each person referred to in paragraphs (ii) and (iii) above.
- (c) A certificate of an authorised signatory of the Borrower confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
- (d) A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it and delivered pursuant to this Part 1 of this Schedule is correct, complete and in full force as at a date no earlier than the date of this Agreement and effect and has not been amended or superseded and that any such resolutions or power of attorney have not been revoked.

2 **Legal opinions**

The following legal opinions, each addressed to the Facility Agent, the Mandated Lead Arranger and the Original Lenders:

- (a) a legal opinion of Norton Rose Fulbright (Asia) LLP on matters of English law; and
- (b) a legal opinion of Bech-Bruun on matters of Danish law.

3 **Finance Documents**

This Agreement and each Fee Letter duly executed.

4 **Other documents and evidence**

- (a) Evidence that any process agent has accepted its appointment.
- (b) The Original Financial Statements.
- (c) A copy of any other Authorisation or other document or opinion that is necessary in the reasonable opinion of the Facility Agent following consultation with its legal advisors and the Borrower in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance

Document, provided that such Authorisation or other document or opinion is requested at least five Business days prior to the date on which the Utilisation Request is delivered by the Borrower to the Facility Agent pursuant to clause 5.1 (*Delivery of the Utilisation Request*).

- (d) Evidence that arrangements have been made by the Borrower to pay such fees, costs and expenses which are then due and payable by the Borrower pursuant to clause 12 (*Fees*) and clause 17 (*Costs and expenses*) from the proceeds of the Utilisation (or that such fees and expenses have been paid or will be paid by the Utilisation Date from other sources).

5 **“Know your customer”
information**

Each Finance Party has confirmed all “know your customer” or similar identification procedures under all laws and regulations applicable to that Finance Party in respect of the Borrower have been satisfied.

**Schedule 3
Utilisation Request**

From: CADELER A/S

To: [name of Agent]

Dated: [●]

Dear Sirs

Cadeler A/S - Facility Agreement dated [●] 2023 (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
- 2 We wish to borrow the Loan on the following terms:

 Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)

 Amount: € [●]
- 3 We confirm that each condition specified in clause 4.3 (*Further conditions precedent*) of the Facility Agreement is satisfied on the date of this Utilisation Request.
- 4 The proceeds of the Loan should be credited to [●] [specify **account**]].
- 5 This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
CADELER A/S

Schedule 4
Form of Transfer Certificate

To: [●] as Facility Agent

From: [The Existing Lender] (the Existing Lender) and [The New Lender] (the New Lender)

Dated:

Cadeler A/S - Facility Agreement dated [●] 2023 (the Facility Agreement)

- 1 We refer to the Facility Agreement. This agreement (the **Agreement**) shall take effect as a Transfer Certificate for the purposes of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
 - 2 We refer to clause 26.6 (*Procedure for assignment or transfer*) of the Facility Agreement:
 - (a) The Existing Lender assigns absolutely to the New Lender all of the rights of the Existing Lender under the Facility Agreement and the other Finance Documents which correspond to that portion of the Existing Lender's Commitment and participation in the Loan under the Facility Agreement as specified in the Schedule.
 - (b) The Existing Lender is released from the obligations owed by it which correspond to that portion of the Existing Lender's Commitment and participation in the Loan under the Facility Agreement specified in the Schedule (but the obligations owed by the Borrower under the Finance Documents shall not be released).
 - (c) On the Transfer Date the New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
 - (d) The proposed Transfer Date is [●].
 - (e) The Facility Office and address, email address and attention details for notices of the New Lender for the purposes of clause 33.2 (*Addresses*) of the Facility Agreement are set out in the Schedule.
 - 3 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in clause 26.5 (*Limitation of responsibility of Existing Lenders*) of the Facility Agreement.
 - 4 This Agreement acts as notice to the Facility Agent (on behalf of each Finance Party) and, upon delivery in accordance with clause 26.7 (*Copy of Transfer Certificate to Borrower*), to the Borrower of the assignment referred to in this Agreement.
 - 5 This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
 - 6 This Agreement and any non-contractual obligations connected with it are governed by English law.
 - 7 This Agreement has been entered into on the date stated at the beginning of this Agreement.
-

Schedule 5
Form of Compliance Certificate

To: [●] as Facility Agent
From: CADELER A/S, as Borrower
Dated: [●]

Dear Sirs

Cadeler A/S - Facility Agreement dated [●] 2023 (the Facility Agreement)

- 1 I/We refer to the Facility Agreement. This is a Compliance Certificate. Terms defined in the Facility Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- 2 I/We confirm that:
 - (a) the Debt Service Coverage Ratio in respect of the Relevant Period expiring [●] is [●]:1;
 - (b) the Equity Ratio in respect of the Relevant Period expiring [●] is [●]%;
 - (c) the Minimum Free Liquidity in respect of the Relevant Period expiring [●] is €[●];
 - (d) the Fair Market Value of the Ships in respect of the Relevant Period expiring [●] is [●]%,

all calculated in accordance with the Annex hereto.
- 3 I/We confirm that no Default is continuing. *[Note: If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.]*

Signed by:

.....
[Director]
CADELER A/S

Schedule 6
Timetables

Delivery of a duly completed Utilisation Request (clause 5.1
(*Delivery of the Utilisation Request*))

U-5 Business Days 11:00 a.m.

Agent notifies the Lenders of the amount of the Loan and the
amount of each Lender's participation in the Loan in accordance
with clause 5.4 (*Lenders' participation*)

U-3 Business Days Noon

EURIBOR is fixed

Quotation Day 11:00am in respect of EURIBOR

Schedule 7
Form of Green Loan Compliance Certificate

To: []

From: Cadeler A/S

Dated:

Cadeler A/S - [Description of facility agreement to be included] (the “Facility Agreement”)

1. We refer to the Facility Agreement. This is a Green Loan Compliance Certificate. Terms defined in the Facility Agreement have the same meaning when used in this Green Loan Compliance Certificate unless given a different meaning in this Green Loan Compliance Certificate.
2. We confirm that (in relation to this Facility):

Test - Green Loan Criteria	Figures / calculations	Compliance
At least 95% of consolidated annual turnover of the Borrower is derived from offshore renewable energy activities		[Yes/No]
No turnover of the Borrower is derived from the commissioning of new or existing oil and gas installations		[Yes/No]
At least 95% of capital expenditures of the Borrower are aligned with the green project categories in the Green Finance Framework		[Yes/No]

3. Exclusions: [2] NG2500x vessels contributing [x]% of total turnover of the Borrower in the reporting period, as these continue to be held for sale
4. Impact Reporting:
Capacity of Renewable Energy plants constructed/ installed / serviced in the reporting period:

[xxx] MW

.....

for and on behalf of



CADELER A/S

[TO BE SIGNED BY 2 SIGNORS: DIRECTOR OR CEO OR CFO OR CSO AUTHORISED SIGNATORIES OF CADELER A/S]

Schedule 8
Banking (Exposure Limits) Rules

The information set out in this Schedule is for reference only. For further details, the Banking

(Exposure Limits) Rules (Cap. 155S) may be accessed at

<https://www.elegislation.gov.hk/hk/cap155S>

The Borrower may be considered as related or connected to the HSBC Group if it is:

- (a) a director, employee, controller or minority shareholder controller, of a member of the HSBC Group;
- (b) a relative of a director, employee, controller or minority shareholder controller, of a member of the HSBC Group;
- (c) a firm, partnership or non-listed company in which a member of the HSBC Group or any of the following entities is interested as director, partner, manager or agent:
 - (i) a controller, minority shareholder controller or director of a member of the HSBC Group;
 - (ii) a relative of a controller, minority shareholder controller or director of a member of the HSBC Group;
or
- (d) a natural person, firm, partnership or non-listed company to whom a member of the HSBC Group has provided a financial facility if any of the following entities is a guarantor of the facility:
 - (i) a controller, minority shareholder controller or director of a member of the HSBC Group;
 - (ii) a relative of a controller, minority shareholder controller or director of a member of the HSBC Group.

Relevant definitions

- 1) A person has “**control**” if such person is:
 - (A) an indirect controller, that is, in relation to a company, any person in accordance with whose directions or instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act; or
 - (B) a majority shareholder controller, that is, in relation to a company, any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of the company or of another company of which it is a subsidiary,and “**controller**” means either an “**indirect controller**” or a “**majority shareholder controller**”.
 - 2) “**employee**” includes permanent full time, permanent part-time, fixed-term full time, fixed-term part-time staff and international assignees.
 - 3) “**minority shareholder controller**” in relation to a company, means any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, 10% or more, but not more than 50%, of the voting power at any general meeting of the company or of another company of which it is a subsidiary.
 - 4) “**relative**” in relation to a natural person, means the following:
-

- (A) a parent, grandparent or great grandparent;
 - (B) a descendant, step-parent or adoptive parent;
 - (C) a brother or sister;
 - (D) the spouse;
 - (E) if the person is a party to a union of concubinage - the other party of the union;
 - (F) a cohabitee;
 - (G) a parent, step-parent or adoptive parent of a spouse;
 - (H) a brother or sister of a spouse;
 - (I) a son, step-son, adopted son, daughter, step-daughter or adopted daughter; or
 - (J) a grandson, granddaughter, great grandson or great granddaughter.
-

Schedule 9 Form of Increase Confirmation

To: [●] as Facility Agent
From: CADELER A/S, as Borrower
Dated: [●]

Dear Sirs

Cadeler A/S - Facility Agreement dated [●] 2023 (the Facility Agreement)

- 1 We refer to the Facility Agreement. This agreement (the **Agreement**) shall take effect as an Increase Confirmation for the purpose of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
- 2 We refer to Clause 2.2 (*Increase*) of the Facility Agreement.
- 3 The Increase Lender agrees to assume and will assume all of the obligations corresponding to € [●] (the **Increase Commitment**) as if it was an Original Lender under the Facility Agreement.
- 4 The proposed date on which the increase in relation to the Increase Lender is to take effect (the **Increase Effective Date**) is [●] or the date of confirmation of this Agreement by the Facility Agent, whichever is later.
- 5 On the Increase Effective Date, the Increase Lender becomes party to the relevant Finance Documents as a Lender.
- 6 The Increase Lender hereby appoints the Facility Agent to act as its agent under and in connection with the Finance Documents in accordance with Clause 28 (*Roles of Facility Agent, Mandated Lead Arranger and Green Loan Co-ordinator*) of the Agreement.
- 7 The administrative details of the Increase Lender for the purposes of this Agreement are set out below:

[●]
- 8 The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in Clause 2.2 (*Increase*).
- 9 This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
- 10 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

.....
Cadeler A/S, as Borrower

.....
[the Increase Lender]

This Increase Confirmation is executed by the Facility Agent and the Increase Effective Date is confirmed [●].

.....

For and on behalf of

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

SIGNATURES

THE BORROWER

CADELER A/S

By:

/s/ Peter Brogaard Hansen

Name(s): Peter Brogaard Hansen

Title(s): Chief Financial Officer

Signature page to Facility Agreement

THE GREEN LOAN CO-ORDINATOR

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

By:

/s/ LIM Jit Min

Name(s): LIM Jit Min

Title(s): Managing Director

Head of Large Local Corporate

Global Banking

The Hongkong & Shanghai Banking Corporation Limited, Singapore

Signature page to Facility Agreement

THE ORIGINAL LENDERS

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

By:

/s/ LIM Jit Min

Name(s): LIM Jit Min

Title(s): Managing Director

Head of Large Local Corporate

Global Banking

The Hongkong & Shanghai Banking Corporation Limited, Singapore

THE MANDATED LEAD ARRANGER

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

By:

/s/ LIM Jit Min

Name(s): LIM Jit Min

Title(s): Managing Director

Head of Large Local Corporate

Global Banking

The Hongkong & Shanghai Banking Corporation Limited, Singapore

THE FACILITY AGENT

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

By:

/s/ Satish Srivastava

Name(s): Satish Srivastava

Title(s): Vice President

Issuer Services

Signature page to Facility Agreement

Increase Confirmation

To: **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH**, as Facility Agent

From: **CADELER** A/S, as Borrower

Dated: **9 February 2024**

Dear Sirs

Cadeler A/S - Facility Agreement dated 15 November 2023 (the Facility Agreement)

- 1 We refer to the Facility Agreement. This agreement (the **Agreement**) shall take effect as an Increase Confirmation for the purpose of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
- 2 We refer to Clause 2.2 (*Increase*) of the Facility Agreement.
- 3 The Increase Lender agrees to assume and will assume all of the obligations corresponding to €30,000,000 (the **Increase Commitment**) as if it was an Original Lender under the Facility Agreement.
- 4 The proposed date on which the increase in relation to the Increase Lender is to take effect (the **Increase Effective Date**) is 19 February 2024 or the date of confirmation of this Agreement by the Facility Agent, whichever is later.
- 5 On the Increase Effective Date, the Increase Lender becomes party to the relevant Finance Documents as a Lender.
- 6 The Increase Lender hereby appoints the Facility Agent to act as its agent under and in connection with the Finance Documents in accordance with Clause 28 (*Roles of Facility Agent, Mandated Lead Arranger and Green Loan Co-ordinator*) of the Agreement.
- 7 The administrative details of the Increase Lender for the purposes of this Agreement are set out below:
 - a. Exact legal name of our institution for booking purposes (spelled in full specifying all capitalization and punctuation):

Legal Name: HSBC GTIDF HOLDCO S.À R.L.
 Address: 4, rue Peternelchen, L-2370 Howald, Grand Duchy of Luxembourg
 Telephone number: +44 203 2683419
 Group email address: infradebtops@hsbc.com
 - b. Persons to contact for documentation (together with address, telephone number, facsimile number and email address).

Name:	Alexandre Broggi / Dennis Si
Address:	22/F, HSBC Main Building, 1 Queen's Road Central, Central, Hong Kong
Telephone Number:	+852 2841 8266 / +852 2284 1008
Fax Number:	n/a

RESTRICTED

Email address:	alexandrebroggi@hsbc.com.hk / dennis.k.h.si@hsbc.com.hk
----------------	---

- c. Persons to contact after signing (together with address, telephone number, facsimile number and email address).

Credit Matters	
Name:	Infra Debt Investment Team
Address:	8 Canada Square, Canary Wharf, London, E14 5HQ
Telephone Number:	N/a
Fax Number:	N/a
Email address:	infradebt.surveillance@hsbc.com

Loan Administration	
Name:	Infra Debt ops
Telephone Number:	+44 203 2683419
Fax Number:	N/a
Email address:	infradebtops@hsbc.com hss.lux.hail@lu.hsbc.com 14696764808@tls.lidsprod.com

- d. Details of EUR account for receipt of interest/fee payments in respect of our commitment (as applicable).

EUR Payment Details	
Beneficiary Bank:	HSBC Continental Europe
Swift No.:	CCFRFRPP
Country Payable:	France
Beneficiary Details:	
A/C No.:	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Payment Reference	Cadeler A/S

- 8 The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in Clause 2.2 (*Increase*).
- 9 This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
- 10 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

/s/ Peter Brogaard Hansen
Cadeler A/S, as Borrower

RESTRICTED

/s/ Simon Jardine

HSBC GTIDF HOLDCO S.À R.L. (by its duly appointed attorney, HSBC Global Asset Management (UK) Limited Portfolio Management Agreement dated 15 December 2023)

Authorised Signatory

Name: Simon Jardine

Title: Head of Investment Grade and Transition Investment, Infrastructure Debt

This Increase Confirmation is executed by the Facility Agent and the Increase Effective Date is confirmed as of 19 February 2024.

/s/ Abdul Hakeem Haji Osman

Abdul Hakeem Haji Osman

Client Services Manager

Issuer Services

For and on behalf of

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

RESTRICTED

Dated 7 December 2023

CADELER A/S
as Borrower

DNB BANK ASA
COÖPERATIEVE RABOBANK U.A.
CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
DANSKE BANK A/S
OVERSEA-CHINESE BANKING CORPORATION LIMITED
and
STANDARD CHARTERED BANK (SINGAPORE) LIMITED
as Mandated Lead Arrangers

and
SOCIETE GENERALE
as Arranger

with

FACILITIES AGREEMENT
for Senior Secured Green Facilities of up to €550,000,000

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THIS AGREEMENT is dated 7 December 2023 and made between:

- (1) CADELER A/S details of which are specified in Schedule 1 (*The original parties*) as borrower (the **Borrower**);
- (2) THE ENTITIES listed in Schedule 1 (*The original parties*) as guarantors (the **Original Guarantors**);
- (3) DNB BANK ASA, COÖPERATIEVE RABOBANK U.A., CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK, DANSKE BANK A/S, OVERSEA-CHINESE BANKING CORPORATION LIMITED and STANDARD CHARTERED BANK (SINGAPORE) LIMITED as mandated lead arrangers and SOCIETE GENERALE as arranger (whether acting individually or together the **Arrangers**);
- (4) DNB BANK ASA as bookrunner and co-ordinator (the **Bookrunner**);
- (5) THE FINANCIAL INSTITUTIONS listed in Schedule 1 (*The original parties*) as lenders (the **Original Lenders**);
- (6) THE FINANCIAL INSTITUTIONS listed in Schedule 1 (*The original parties*) as hedging providers (the **Original Hedging Providers**);
- (7) DNB BANK ASA as agent of the other Finance Parties (other than the Security Agent) (the **Agent**);
- (8) DNB BANK ASA as EIFO agent of the Lenders (the **EIFO Agent**);
and
- (9) DNB BANK ASA as security agent and trustee for the other Finance Parties (the **Security Agent**).

IT IS AGREED as follows:

Section 1 - Interpretation

1 Definitions and interpretation

1.1 Definitions

In this Agreement and (unless otherwise defined in the relevant Finance Document) the other Finance Documents:

Acceptable Bank means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of "A-" or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or "Baa1" or higher by Moody's Investor Services Limited or a comparable rating from another internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Majority Lenders and EIFO,

and which is approved by the Borrower.

Accession Deed means a document substantially in the form set out in Schedule 9 (*Form of Accession Deed*).

Account means any bank account, deposit or certificate of deposit opened, made or established in accordance with clause 30 (*Bank accounts*).

Account Bank means, in relation to any Account, the bank or financial institution specified as such in Schedule 1 (*The original parties*), any Lender, or another bank or financial institution approved by the Majority Lenders and EIFO at the request of the Borrower.

Account Holder(s) means, in relation to any Account, each Obligor in whose name that Account is held.

Account Security means, in relation to an Account, a deed or other instrument executed by the relevant Account Holder(s) in favour of the Security Agent or any other Finance Party in an agreed form conferring a Security Interest over that Account.

Accounting Reference Date means 31 December or such other date as may be approved by the Majority Lenders.

Acquisition Documents means the Business Combination Agreement, the Merger Agreement and any other document designated as an Acquisition Document by the Agent and the Borrower.

Active Facilities means the Active Facility A Facility, the Active Facility B Facility and the Active Facility C Facility.

Active Facility A Facility means, at any relevant time, such part of the Total Facility A Commitments (whether drawn or undrawn) as is then available for borrowing under this Agreement at such time in accordance with clause 4 (*Conditions of Utilisation*) to the extent that such part of the Total Facility A Commitments is not cancelled or reduced under this Agreement.

Active Facility B Facility means, at any relevant time, such part of the Total Facility B Commitments (whether drawn or undrawn) as is then available for borrowing under this Agreement at such time in accordance with clause 4 (*Conditions of Utilisation*) to the extent that such part of the Total Facility B Commitments is not cancelled or reduced under this Agreement.

Active Facility C Facility means, at any relevant time, such part of the Total Facility C Commitments (whether drawn or undrawn) as is then available for borrowing under this Agreement at such time in accordance with clause 4 (*Conditions of Utilisation*) to the extent that such part of the Total Facility C Commitments is not cancelled or reduced under this Agreement.

Active Revolving Facility means either the Active Facility A Facility or the Active Facility B Facility and **Active Revolving Facilities** means both of them.

Additional Guarantor means a legal entity which becomes or is to become a guarantor under this Agreement (on a joint and several basis with any other Guarantors) in accordance with, and defined as such in, clause 36.5 (*Additional Guarantors*) and **Additional Guarantors** means any or all of them.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Agent includes any person who may be appointed as such under the Finance Documents and includes any separate trustee or co-trustee appointed under clause 38.8 (*Additional trustees*).

Ancillary Commencement Date means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Ancillary Facility Availability Period.

Ancillary Commitment means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum amounts in euro (or the equivalent in euro of any other currency) which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility in accordance with the terms of clause 6 (*Ancillary Facilities*), to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

Ancillary Document means each document relating to or evidencing the terms of an Ancillary Facility.

Ancillary Facility means any ancillary facility made available by an Ancillary Lender in accordance with clause 6 (*Ancillary Facilities*) and **Ancillary Facilities** means all of them.

Ancillary Facility Availability Period means, in relation to an Ancillary Facility, the period starting on the first Utilisation Date and ending on the earlier of (a) the date falling one calendar month before its Final Repayment Date under this Agreement and (b) the date specified as such in the relevant Ancillary Facility.

Ancillary Lender means each Lender which makes available an Ancillary Facility in accordance with clause 6 (*Ancillary Facilities*) and each Lender Affiliate which accedes to this Agreement as an Ancillary Lender pursuant to clause 6.8 (*Accession of Ancillary Lenders to this Agreement*) and **Ancillary Lenders** means any or all of them.

Ancillary Outstandings means, at any time, in relation to an Ancillary Lender and an Ancillary Facility then in force the aggregate of the equivalents (as calculated by that Ancillary Lender) in euro of the face amount of each guarantee, bond and letter of credit under that Ancillary Facility, as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

Annex VI means Annex VI of the Protocol of 1997 (as subsequently amended from time to time) to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto.

Approved Flag State means Denmark, Japan (but only in relation to Ship D), Norway, the Republic of Cyprus, the Republic of Panama, the United Kingdom or any other flag state approved by the Majority Lenders.

Approved Shareholder means any legal entity (other than the Borrower) which:

- (a) is a wholly-owned direct or indirect Subsidiary of the Borrower;
and
- (b) is incorporated, registered or formed under the laws of a jurisdiction in all respects acceptable to all the Lenders and EIFO.

Article 55 BRRD means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

Atlantis Equity Co means Atlantis Equityco Limited, a company incorporated under the laws of England and Wales with registered number 07964251.

Atlantis Investor Co means Atlantis Investorco Limited, a company incorporated under the laws of England and Wales with registered number 07964020.

Atlantis Mid Co means Atlantis Midco Limited, a company incorporated under the laws of England and Wales with registered number 07964404.

Auditors means EY Godkendt Revisionspartnerselskab or any other firm appointed by the Borrower to act as its or their statutory auditors.

Authorisation means any authorisation, consent, concession, approval, resolution, licence, exemption, filing, notarisation or registration.

Available Commitment means a Lender's Facility A Available Commitment, Facility B Available Commitment and Facility C Available Commitment.

Available Facility A Facility means the aggregate for the time being of all the Lenders' Facility A Available Commitments.

Available Facility B Facility means the aggregate for the time being of all the Lenders' Facility B Available Commitments.

Available Facility C Facility means the aggregate for the time being of all the Lenders' Facility C Available Commitments.

Available Facility means any of the Available Facility A Facility, the Available Facility B Facility or the Available Facility C Facility.

Backstop Date means, in relation to an Existing Ship, the date identified as such in Schedule 2 (*Ship information*) or such other later date approved by the Lenders and EIFO resulting from any delay in the Scheduled Redelivery Date as a result of permissible delays under the relevant Upgrade Contract.

Bail-In Action means the exercise of any Write-down and Conversion Powers.

Bail-In Legislation means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation;
and
- (c) in relation to any other state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

Bareboat Charter means, in relation to each Ship, a bareboat charter for that Ship between the relevant Owner as owner and a Bareboat Charterer as charterer and, in the case of Ship D only, a bareboat charter for that Ship between a Bareboat Charterer as owner and another Bareboat Charterer as charterer (being one of the Initial Bareboat Charters), in each case in the agreed form (and includes an Initial Bareboat Charter and a JV Bareboat Charter) and **Bareboat Charters** means any or all of them.

Bareboat Charterer means the Borrower or any other Group Member which becomes a bareboat charterer under a Bareboat Charter of a Ship pursuant to the terms of clause 25.8 (*Chartering*).

Basel Accords means the Basel II Accord, Basel III Accord and Reformed Basel III.

Basel Regulation means either a Basel II Regulation or a Basel III Regulation.

Basel II Accord means the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 as updated prior to, and in the form existing on, the date of this Agreement, excluding any amendment thereto arising out of the Basel III Accord or Reformed Basel III.

Basel II Approach means, in relation to any Finance Party, either the Standardised Approach or the relevant Internal Ratings Based Approach (each as defined in the Basel II Regulations applicable to such Finance Party) adopted by that Finance Party (or any of its Affiliates) for the purposes of implementing or complying with the Basel Accords.

Basel II Regulation means:

- (a) any law or regulation in force as at the date hereof implementing the Basel II Accord, (including the relevant provisions of CRR) to the extent only that such law or regulation re-enacts and/or implements the requirements of the Basel II Accord but excluding any provision of such law or regulation implementing the Basel III Accord or Reformed Basel III; and

- (b) any Basel II Approach adopted by a Finance Party or any of its Affiliates.

Basel III Accord means, together:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III” including Reformed Basel III.

Basel III Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with any Basel III Regulation (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates) and includes a CRR Increased Cost.

Basel III Regulation means any law or regulation implementing the Basel III Accord (including the relevant provisions of CRR) save to the extent that such law or regulation re-enacts a Basel II Regulation.

Bermuda Subsidiary means Eneti (Bermuda) Limited, a company incorporated and existing under the laws of Bermuda with company number 202100071.

Borrower Affiliate means the Borrower, each of its Affiliates, any trust of which the Borrower or any of its Affiliates is a trustee, any partnership of which the Borrower or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, the Borrower or any of its Affiliates.

Break Costs means the amount (if any) by which:

- (a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or relevant part of it or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or relevant part of it or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the relevant principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of that Interest Period.

Business Combination Agreement means a business combination agreement dated 16 June 2023 by and among the Borrower and the Target as amended from time to time.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Oslo, Paris, Singapore and Copenhagen, and (in relation to any date for payment or purchase of euro) any TARGET Day.

BW Group means BW Altor Pte. Ltd. of the Republic of Singapore and its Subsidiaries from time to time

Change of Control occurs if, at any time and without the prior written approval of all the Lenders and EIFO:

- (a) any Guarantor ceases to be a wholly-owned (with the exception of the Target Guarantors and Permitted Reorganisation Subsidiaries which shall not be required to be wholly-owned at any time prior to the date falling 60 Business Days from the Closing Date (the **Squeeze-out Date**)) direct (or indirect in the case of a Target Guarantor or a Permitted Reorganisation Subsidiary provided that, prior to the Permitted Reorganisation, the Merger Subsidiary shall be a wholly-owned (with the exception of the period prior to the Squeeze-out Date) direct Subsidiary of the Borrower and following the Permitted Reorganisation, any of the Permitted Reorganisation Subsidiaries or Target Investor Co shall be a wholly-owned direct Subsidiary of the Borrower) Subsidiary of the Borrower, unless (subject to the proviso at the end of this definition) that Guarantor has become a wholly-owned direct Subsidiary of an Approved Shareholder; or
- (b) any Guarantor that (subject to the proviso at the end of this definition) has become a wholly-owned direct Subsidiary of an Approved Shareholder ceases to be a wholly-owned direct Subsidiary of that Approved Shareholder unless (subject to the proviso at the end of this definition) that Guarantor has become a wholly-owned direct Subsidiary of the Borrower or another Approved Shareholder; or
- (c) any Approved Shareholder that (subject to the proviso at the end of this definition) owns shares in a Guarantor ceases to be a wholly-owned direct or indirect Subsidiary of the Borrower; or
- (d) the Borrower ceases to have the right or ability to control the affairs, or the composition of the majority of the board of directors, of any Guarantor and/or any Bareboat Charterer, and/or any Approved Shareholder that (subject to the proviso at the end of this definition) owns shares in a Guarantor; or
- (e) any Bareboat Charterer ceases to be the Borrower or a direct or indirect (and wholly-owned, unless it is a Bareboat Charterer under a JV Bareboat Charter) Subsidiary of the Borrower; or
- (f) any person or group of persons acting in concert (other than Swire Pacific or the BW Group) hold legally and beneficially more than 25% of each of (i) the issued and outstanding share capital and/or (ii) the issued and outstanding voting share capital, of the Borrower,

Provided however that it shall not constitute a Change of Control under paragraph (a) or (b) above if all (but not part of) the shares in a Guarantor are transferred from the Borrower to an Approved Shareholder, or from an Approved Shareholder to another Approved Shareholder, provided that at the time of such transfer:

- (i) such Approved Shareholder has delivered to all Finance Parties and EIFO any “know your customer” and other similar documents as required by any of them and the relevant Finance Parties and EIFO are satisfied with the same and their relevant internal checks; and
- (ii) such Approved Shareholder becomes an Additional Guarantor pursuant to the terms of clause 36.5 (*Additional Guarantors*) and grants a Security Interest over the shares of the relevant Guarantor on terms materially similar to the relevant Share Security and in agreed form (which shall constitute Finance Documents), together with any documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in respect of such Security Interest and the Approved Shareholder; and
- (iii) the Parties have entered into such other amendments and documents (including any amendment to this Agreement) as the Agent (acting reasonably) may require in respect of the above matters (at the cost and expense of the Borrower); and

- (iv) the entry by such Approved Shareholder into any of the above documents does not otherwise constitute an Event of Default nor would otherwise cause or result in an Event of Default (and the Borrower has confirmed the same in writing to the Agent).

Charged Property means all of the assets of the Obligors which from time to time are, or are expressed or intended to be, the subject of the Transaction Security.

Charter means, in relation to a Ship, any charter commitment in relation to that Ship (other than a Bareboat Charter), which is entered into during the Facility Period between (a) either the Owner or the Bareboat Charterer as disponent owner; and (b) any person (other than a Bareboat Charterer or any Group Member or any Affiliate of any of them) as charterer or counterparty of such Owner or (as applicable) such Bareboat Charterer thereunder, and which is capable of lasting in excess of 12 months (without taking into account any options to extend or renew contained therein), and **Charters** means all of them.

Charter Documents means, in relation to a Ship and a Charter of that Ship, that Charter, any documents supplementing it and any Charter Guarantee.

Charterer means, in relation to a Ship and a Charter of that Ship, the charterer or counterparty of the relevant Owner or Bareboat Charterer under that Charter.

Charter Guarantee means, in relation to a Ship and a Charter of that Ship, any guarantee or security given by any person for the relevant Charterers obligations under it.

Charter Guarantor means, in relation to a Ship and a Charter of that Ship, the guarantor or counterparty of the relevant Owner or Bareboat Charterer under the Charter Guarantee for that Charter.

Classification means, in relation to a Ship, an appropriate classification available to vessels of this type (being on the date of this Agreement the classification specified in respect of such Ship in Schedule 2 (*Ship information*)) with the relevant Classification Society selected by the Owner.

Classification Society means, in relation to a Ship, the classification society specified in respect of such Ship in Schedule 2 (*Ship information*), Lloyd's Register or Bureau Veritas or another classification society (being a member of the International Association of Classification Societies (**IACS**) or, if such association no longer exists, any similar association nominated by the Agent) approved by the Majority Lenders as its Classification Society, at the request of the relevant Owner.

Closing Date means the date of consummation of the Offer (as such term is defined in the Business Combination Agreement) (which, for the avoidance of doubt, requires that the Borrower obtains control of the Target as well as ownership of at least 50.01 per cent of the issued and outstanding shares of the Target on such date).

Code means the US Internal Revenue Code of 1986.

Commitment means, in relation to a Lender, its Facility A Commitment, its Facility B Commitment and its Facility C Commitment.

Compliance Certificate means a certificate substantially in the form set out in Schedule 11 (*Form of Compliance Certificate*) or otherwise approved.

Confirmation shall have, in relation to any Hedging Transaction, the meaning given to that term in the relevant Hedging Master Agreement.

Confidential Information means all information relating to an Obligor, the Group, the Transaction Documents or the Facilities of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facilities from either:

- (a) any Group Member or any of its advisers;
or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any Group Member or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
 - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of clause 52 (*Confidential Information*); or
 - (B) is identified in writing at the time of delivery as non-confidential by any Group Member or any of its advisers;
or
 - (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (ii) any Funding Rate or Reference Bank Quotation.

Constitutional Documents means, in respect of an Obligor, such Obligor's memorandum and articles of association, by-laws or other constitutional documents including as referred to in any certificate relating to an Obligor delivered pursuant to Schedule 3 (*Conditions precedent*).

Contracted Cash Flows means, at any relevant time, the Borrower's total consolidated forward looking anticipated cash revenues from legally binding committed charter commitments for the Ships at such time (and adjusted on a full cash basis by excluding any part of the revenue already paid), excluding all options and conditional or contingent payments (other than being conditional on performance of the relevant Obligor's or Group Member's obligations under such charter commitments).

Contracted Cash Flows Certificate means a certificate substantially in the form set out in Schedule 13 (*Form of Contracted Cash Flows Certificate*) or as otherwise approved.

Contracted Cash Flows Limit shall have the meaning given to it in clause 8.11 (*Loans in Excess of Contracted Cash Flows*).

Contract Price means, in relation to an Existing Ship, the aggregate of the total contract price payable under each Upgrade Contract for such Existing Ship as such contract price may be varied from time to time pursuant to the terms of each Upgrade Contract for such Existing Ship (including by variation orders for equipment and/or by any liquidated damages unless such liquidated damages relate to delays in the redelivery of the relevant Existing Ship to the relevant Owner).

Contractors means, in relation to an Existing Ship, the Gusto Contractor and the Danish Contractor, and **Contractor** means any of them.

CRR means either CRR-EU or, as the context may require, CRR-UK.

CRR-EU means regulation 575/2013 of the European Union on prudential requirements for credit institutions and investment firms and regulation 2019/876 of the European Union amending Regulation (EU) No 575/2013 and all delegated and implementing regulations supplementing that Regulation.

CRR Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with the CRR (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

CRR-UK means CRR-EU as amended and transposed into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

Danish Contract means, the ship repair contract specified in Schedule 2 (*Ship information*) between the Danish Contractor and the Borrower relating to the Existing Ships.

Danish Contractor means, in relation to the Existing Ships, the person specified as such in Schedule 2 (*Ship information*).

Debt Purchase Transaction means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of;
or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

Declassification Date means the date on which the Agent (acting on the instructions of the Majority Lenders) and EIFO exercise their right to declassify the Facilities as "green facilities" in accordance with paragraph (a) of clause 23.17 (*Declassification Event*).

Declassification Event means:

- (a) if the Agent receives a Declassification Request from the Borrower;
- (b) the Borrower ceases to be in compliance with the Green Loan Criteria;
or
- (c) failure by the Borrower to comply with the requirements of clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*), unless the failure to comply is capable of remedy and it is remedied within 10 Business Days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower becoming aware of the failure to comply.

Declassification Request means a notice signed by the Borrower requesting that the Facilities are no longer to be classified as "green facilities" for the purposes of the "Green Loan Provisions". Such notice shall:

- (a) be signed by the Chief Executive Officer or the Chief Financial Officer of the Borrower;
- (b) state the proposed Declassification Date;
and
- (c) set out in reasonable detail the green loan related information demonstrating why the Facilities should no longer be "green facilities".

Deed of Covenant means, in relation to a Ship in respect of which the Mortgage is in account current form and where it is customary to grant a deed of covenant, a first deed of covenant in respect of such Ship by the relevant Owner in favour of the Security Agent in the agreed form.

Default means an Event of Default or any event or circumstance specified in clause 33 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

Defaulting Lender means any Lender:

- (a) which has failed to make its participation in a Loan available (or has notified the Agent or the Borrower (which has notified the Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with clause 5.4 (*Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document;
or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error;
or
 - (B) a Disruption Event;
and,

payment is made within three Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

Delegate means any delegate, agent, attorney, additional trustee or co-trustee appointed by the Security Agent.

Disposal Repayment Date means in relation to:

- (a) a Total Loss of a Mortgaged Ship, the applicable Total Loss Repayment Date;
or
- (b) a sale of a Mortgaged Ship by the relevant Owner, the date upon which such sale is completed by the transfer of title to the purchaser in exchange for payment of all or part of the relevant purchase price (and upon or immediately prior to such completion).

Disruption Event means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents;
or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

Earnings means, in relation to a Ship and a person, all money at any time payable to that person for or in relation to the use or operation of such Ship including freight, hire and passage moneys, money payable to that person for the provision of services by or from such Ship or under any charter commitment, requisition for hire compensation, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach and payments for

termination or variation of any charter commitment and contributions of any nature whatsoever in respect of general average (including all moneys payable to the Owner and/or a Bareboat Charterer of such Ship under any Charter, Charter Guarantee or Bareboat Charter of such Ship, respectively).

Earnings Account means any account with an Account Bank which is defined as such in any Account Security or which is designated as an "Earnings Account" under clause 30 (*Bank accounts*).

EBITDA has the meaning given to clause 22.2 (*Financial definitions*).

EEA Member Country means any member state of the European Union, Iceland, Liechtenstein and Norway.

EIFO means the Export and Investment Fund of Denmark, a state-owned enterprise having its registered office at Haifagade 3, 2150 Nordhavn, Denmark.

EIFO Agent means DNB Bank ASA or any other person who may be appointed as such under the Finance Documents.

EIFO Guarantee Policy means, in relation to the Existing Ships and the Facility C Loans, a guarantee policy issued by EIFO in favour of the EIFO Agent for and on behalf of the Facility C Lenders, setting out the terms and conditions of the buyer's credit guarantee, issued or, as the context may require, to be issued by EIFO in favour of the Facility C Lenders, providing political and commercial risks' cover and otherwise setting out the terms and conditions of its guarantee of an amount up to one hundred per cent (100%) of the Facility C Loans plus interest accruing thereon under the terms of this Agreement and certain other costs and expenses subject to its terms and conditions and on such terms and conditions acceptable to all the Facility C Lenders.

EIFO Fees means all of the upfront fees, commitment fees and premia (howsoever described) in respect of the Facility C Loans being payable or (as the context may require) paid to EIFO under the terms of the EIFO Guarantee Policy.

Eligible Institution means any Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower and which, in each case, is not a Group Member.

Environmental Claims means:

- (a) enforcement, clean-up, removal or other governmental or regulatory action or orders or claims instituted or made pursuant to any Environmental Laws or resulting from a Spill; or
- (b) any claim made by any other person relating to a Spill.

Environmental Incident means any Spill from any vessel in circumstances where:

- (a) any Fleet Vessel or its owner, operator or manager may be liable for Environmental Claims arising from the Spill (other than Environmental Claims arising and fully satisfied before the date of this Agreement); and/or
- (b) any Fleet Vessel may be arrested or attached in connection with any such Environmental Claim.

Environmental Laws means all laws, regulations and conventions concerning pollution or protection of human health or the environment.

EU Bail-In Legislation Schedule means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

EU Ship Recycling Regulation means Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (Text with EEA relevance).

EURIBOR means, in relation to a Loan or any part of it and any Unpaid Sum:

- (a) the applicable Screen Rate as of 11:00 a.m. (Brussels time) on the relevant Quotation Day for a period equal in length to the Interest Period of that Loan or relevant part of it or Unpaid Sum; or
- (b) as otherwise determined pursuant to clause 12.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, EURIBOR shall be deemed to be zero.

Event of Default means any event or circumstance specified as such in clause 33 (*Events of Default*).

Existing Facilities mean Existing Facility A and Existing Facility B.

Existing Facility A means a senior secured green revolving credit facility agreement for (originally) up to €185,000,000 revolving credit and guarantee facilities dated 29 June 2022 as amended by an amendment letter dated 4 October 2022, an amendment letter dated 29 November 2022 and an amendment agreement dated 16 June 2023 (and as further amended and restated from time to time) and entered into between, amongst others, Cadeler A/S as borrower and DNB Bank ASA as agent.

Existing Facility B means a credit agreement for up to \$175,000,000 revolving credit, term and letter of credit facilities dated 31 March 2022 (as amended and restated from time to time) and entered into between, amongst others, Eneti Inc. as parent guarantor, Seajacks International Limited as borrower and DNB Capital LLC, Societe Generale, Citibank N.A., Credit Agricole Corporate and Investment Bank and Credit Industriel et Commercial as lenders.

Existing Ships means Ship A and Ship B and **Existing Ship** means any of them.

External Reviewer means S&P Global or any replacement external reviewer being a member firm of Deloitte, Ernst & Young Global Limited, KPMG International Limited, PricewaterhouseCoopers International Limited or DNV or any other person approved by the Majority Lenders as may be appointed from time to time by the Borrower, provided that any such replacement is:

- (a) an independent professional services firm, environmental consultancy firm or ratings agency which is regularly engaged in the application and monitoring of ESG standards and ESG calculation methodologies; and
- (b) not an Affiliate of an Obligor.

Facilities means Facility A, Facility B and Facility C and **Facility** means any of them.

Facility A means the €250,000,000 revolving credit facility made available by the Lenders with Facility A Commitments under this Agreement as described in clause 2.1 (*Facility A*).

Facility A Available Commitment means a Lender's Facility A Commitment, minus the amount of its participation in Facility A.

Facility A Commitment means:

- (a) in relation to an Original Lender, the amount set under its name opposite the heading "Facility A Commitment" in Schedule 1 (*The original parties*) and the amount of any other Facility A Commitment transferred to it under this Agreement; and

- (b) in relation to any other Lender, the amount of any Facility A Commitment assigned to it under this Agreement,

to the extent not cancelled, reduced or assigned by it under this Agreement.

Facility A Loans means the loans made or to be made under Facility A or (as the context may require) the outstanding principal amount of those loans and **Facility A Loan** means any of them.

Facility B means the €100,000,000 revolving credit facility made available by the Lenders with Facility B Commitments under this Agreement as described in clause 2.2 (*Facility B*).

Facility B Available Commitment means a Lender's Facility B Commitment, minus the amount of its participation in Facility B.

Facility B Commitment means:

- (a) in relation to an Original Lender, the amount set under its name opposite the heading "Facility B Commitment" in Schedule 1 (*The original parties*) and the amount of any other Facility B Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Facility B Commitment assigned to it under this Agreement,

to the extent not cancelled, reduced or assigned by it under this Agreement.

Facility B Loans means the loans made or to be made under Facility B or (as the context may require) the outstanding principal amount of those loans and **Facility B Loan** means any of them.

Facility C means the €100,000,000 term loan facility made available by the Lenders with Facility C Commitments under this Agreement as described in clause 2.3 (*Facility C*), in two (2) Facility C Loans.

Facility C Available Commitment means a Lender's Facility C Commitment, minus the amount of its participation in Facility C.

Facility C Lenders means each Lender with a Facility C Commitment and/or with a participation in a Facility C Loan.

Facility C Commitment means:

- (a) in relation to an Original Lender, the amount set under its name opposite the heading "Facility C Commitment" in Schedule 1 (*The original parties*) and the amount of any other Facility C Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Facility C Commitment assigned to it under this Agreement,

to the extent not cancelled, reduced or assigned by it under this Agreement.

Facility C Loan A means a borrowing of a part of the Total Facility C Commitments by the Borrower up to the Facility C Ship Commitment in respect of Ship A, which is to be made available in relation to Ship A, or (as the context may require) the outstanding principal amount of such borrowing.

Facility C Loan B means a borrowing of a part of the Total Facility C Commitments by the Borrower up to the Facility C Ship Commitment in respect of Ship B, which is to be made available in relation to Ship B, or (as the context may require) the outstanding principal amount of such borrowing.

Facility C Loans means Facility C Loan A and Facility C Loan B and **Facility C Loan** means any of them.

Facility C Ship Commitment means, in relation to an Existing Ship, the amount specified as such in respect of such Existing Ship in Schedule 2 (*Ship information*), being a part of the Total Facility C Commitments, as cancelled or reduced pursuant to any provision of this Agreement.

Facility Office means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for Tax purposes.

Facility Period means the period from and including the date of this Agreement to and including the date on which the Total Commitments have reduced to zero and all indebtedness of the Obligors under the Finance Documents has been irrevocably and unconditionally and discharged in full.

FATCA means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction.

Fee Letters means any letters entered into between (a) any Finance Parties and (b) any Obligors by reference to this Agreement in relation to any fees payable to any Finance Parties and Fee Letter means any one of them.

Final Repayment Date means, subject to clause 45.7 (*Business Days*):

- (a) in respect of Facility A, the earlier of:
 - (i) the date falling 60 Months after the Closing Date;and

(ii) 31 December
2029,

or such later date as may be agreed by all the Lenders with Facility A Commitments;

(b) in respect of Facility B, the earlier
of:

(i) the date falling 18 Months after the Closing Date;
and

(ii) 30 June
2026,

or such later date as may be agreed by all the Lenders with Facility B Commitments;

(c) in respect of each Facility C Loan, the earlier
of:

(i) the date falling 102 Months after the Closing Date;
and

(ii) 30 June
2033,

or such later date as may be agreed by all the Lenders with Facility C Commitments and EIFO; or

(d) in respect of each Ancillary Facility, the earlier
of:

(i) the date falling 60 Months after the Closing Date;
and

(ii) 31 December
2029,

or such later date as may be agreed by the Ancillary Lender for that Ancillary Facility.

Finance Documents means this Agreement, any Accession Deed, any Ancillary Document, any Compliance Certificate, any Green Loan Compliance Certificate, any Fee Letter, any Utilisation Request, any Quiet Enjoyment Agreement, the Security Documents, any Transfer Certificate, any Hedging Contracts, any Hedging Master Agreement and any other document designated as such by the Agent and the Borrower and shall, for the avoidance of doubt, exclude the EIFO Guarantee Policy.

Finance Party means the Agent, the Security Agent, any Arranger, the Bookrunner, the EIFO Agent, any Hedging Provider, a Lender or any Ancillary Lender.

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under GAAP);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close out of that Treasury Transaction, that amount) shall be taken into account);

- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the latest Final Repayment Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

Financial Year means the annual accounting period of the Group ending on or about the Accounting Reference Date in each year.

First Repayment Date means, in relation to a Facility C Loan and subject to clause 45.7 (*Business Days*), the earlier of (a) the date falling six Months after the Utilisation Date in respect of such Facility C Loan and (b) 30 September 2024.

Flag State means, in relation to a Ship (i) the Approved Flag State in which a Ship is registered on the date of this Agreement, (ii) any other Approved Flag State in which a Ship is or is to be registered at the request of the relevant Owner, subject to the provisions of paragraph (b) of clause 25.2 (*Ship's name and registration*) or (iii) such other state or territory as may be approved by the Majority Lenders and EIFO at the request of the relevant Owner (such approval or, where such state or territory is not approved by the Majority Lenders and EIFO, such rejection, not to be unreasonably delayed), subject to the provisions of paragraph (b) of clause 25.2 (*Ship's name and registration*) as being the "**Flag State**" of such Ship for the purposes of the Finance Documents.

Fleet Vessel means each Mortgaged Ship and any other vessel owned, operated, managed or crewed by any Group Member.

Funding Rate means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of clause 12.4 (*Cost of funds*).

GAAP means generally accepted accounting principles in Denmark including (without limitation) international account standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

General Assignment means in relation to a Ship and each of the Owner and each Bareboat Charterer of such Ship, a first assignment of its interest in the Ship's Insurances, Earnings (including Earnings under any Charter and any Charter Guarantee for the Ship, if and to the extent it would not constitute a breach of the relevant Charter or Charter Guarantee (as applicable) for the Ship), Requisition Compensation and any Bareboat Charter for such Ship (to which an Owner or, in the case of Ship D and then only in the case of an Initial Bareboat Charter, a Bareboat Charterer is a party as disponent owner), one such assignment executed by the relevant Owner and each Bareboat Charterer of such Ship in favour of the Security Agent or any other Finance Party in the agreed form.

GLP or the **Green Loan Principles** means the Green Loan Principles together with the "Guidance on Green Loan Principles", published on 23 February 2023 by the Loan Market Association

(LMA), the Loan Syndications and Trading Association (LSTA) and the Asia Pacific Loan Market Association (APLMA) and the accompanying guidance in force as at the date of this Agreement, as may be updated from time to time.

Green Assets means the Ships for as long as they qualify as "green project categories" as defined in the Green Finance Framework.

Green Finance Framework means the green finance framework dated December 2023 and prepared by the Borrower on sustainability reporting.

Green Finance Second Party Opinion means the green finance second party opinion dated 1 December 2023 and issued by the External Reviewer as the same may be updated or amended from time to time to confirm, inter alia, the alignment of the Green Finance Framework with the GLP.

Green Loan means the outstanding amount of the Loans until a Declassification Event occurs and is continuing.

Green Loan Compliance Certificate means a certificate substantially in the form set out in Schedule 12 (*Form of Green Loan Compliance Certificate*) delivered pursuant to clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*) (and it also includes a Pre-Utilisation Green Loan Compliance Certificate).

Green Loan Compliance Certificate Inaccuracy has the meaning given to it in clause 21.17 (*Green Loan Compliance Certificate Inaccuracy*).

Green Loan Criteria means, at any relevant time:

- (a) not more than 5% of the consolidated annual turnover of the Borrower (as shown in the then most recent audited annual financial statements of the Borrower delivered pursuant to clause 21.3 (*Financial statements*)) is derived from non-offshore renewable energy activities;
- (b) no part of the Borrower's consolidated annual turnover (as shown in the then most recent audited annual financial statements of the Borrower delivered pursuant to clause 21.3 (*Financial statements*)) is derived from the commissioning of new or existing oil and gas installations; and
- (c) at least 95% of the consolidated capital expenditures of the Borrower (as shown in the then most recent audited annual financial statements of the Borrower delivered pursuant to clause 21.3 (*Financial statements*)) are related to "green project categories" as defined in the Green Finance Framework,

save that for the purposes of a Pre-Utilisation Green Loan Compliance Certificate provided pursuant to clause 10.2(b) (*Green Loan Margin Adjustment*), paragraphs (a), (b) and (c) above shall be assessed on the basis of the Original Financial Statements.

Green Loan Information means all information which has been:

- (a) provided by or on behalf of a Group Member to a Finance Party;
or
- (b) approved by any Group Member,

solely in connection with, and to the extent it relates to, any Green Loan Compliance Certificate or any Green Loan Report,

Green Loan Provisions means each of paragraph (g) of clause 20.8 (*No misleading information*), clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*) to clause 21.18 (*Green Loan Information*) (inclusive), 23.17 (*Declassification Event*) and 23.18 (*Green Loan publicity*).

Green Loan Report has the meaning given to that term in clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*).

Group means the Borrower and its Subsidiaries for the time being and, for the purposes of clause 21.3(*Financial statements*) and clause 22 (*Financial covenants*), any other entity required to be treated as a subsidiary in its consolidated accounts in accordance with GAAP and/or any applicable law.

Group Member means any Obligor and any other entity which is part of the Group.

Guarantee means the obligations of the Guarantors under clause 19 (*Guarantee and indemnity*).

Guarantor means:

- (a) from the date of this Agreement up to the Closing Date, any of the Original Guarantors;
- (b) from (and including) the Closing Date and at all times thereafter, any of the Original Guarantors or the Target Guarantors,

and in each case, any other Additional Guarantor which has become a guarantor under this Agreement pursuant to clause 36.5 (*Additional Guarantors*) and **Guarantors** means any or all of them.

Gusto Contract means, in relation to an Existing Ship, the crane upgrade contract specified in Schedule2 (*Ship information*) between the Gusto Contractor and the relevant Owner relating to the Upgrade of such Existing Ship.

Gusto Contractor means, in relation to an Existing Ship, the person specified as such in Schedule2 (*Ship information*).

Hedging Contract means any Hedging Transaction between the Borrower and any Hedging Provider pursuant to any Hedging Master Agreement and includes any Hedging Master Agreement and any Confirmations from time to time exchanged under it and governed by its terms relating to that Hedging Transaction and any contract in relation to such a Hedging Transaction constituted and/or evidenced by them and **Hedging Contracts** means all of them.

Hedging Contract Security means a deed or other instrument by the Borrower in favour of the Security Agent in the agreed form conferring a Security Interest over any Hedging Contracts.

Hedging Exposure means, as at any relevant date and in relation to any Hedging Provider, the aggregate of the amount certified by that Hedging Provider to the Agent to be the net amount in euro;

- (a) in relation to all Hedging Contracts with that Hedging Provider that have been closed out on or prior to the relevant date, that is due and owing by the Borrower to that Hedging Provider in respect of such Hedging Contracts on the relevant date; and
- (b) in relation to all Hedging Contracts with that Hedging Provider that are continuing on the relevant date, that would be payable by the Borrower to that Hedging Provider under (and calculated in accordance with) the early termination provisions of such Hedging Contracts as if an Early Termination Date (as defined in the relevant Hedging Master Agreement) had occurred on the relevant date in relation to all such continuing Hedging Contracts.

Hedging Master Agreement means any agreement made or (as the context may require) to be made between the Borrower and a Hedging Provider comprising an ISDA Master Agreement and the Schedule thereto in the agreed form for the purpose of entering into Treasury Transactions permitted pursuant to clause 32.2(d) (*Hedging*), being:

- (a) any Treasury Transaction entered into between the Borrower and a Hedging Provider in respect of interest rates and/or currency exchange rates under this Agreement; and

- (b) any Treasury Transactions to cover the exposure to interest rate and/or currency exchange rate fluctuations of the Group or any Group Member (originally) entered into by the Borrower with an Original Hedging Provider (or Affiliate) prior to the date of this Agreement (and transferred, assigned, novated to, or otherwise substituted for by Treasury Transactions under, a Hedging Master Agreement on or before the first Utilisation Date).

Hedging Provider means:

- (a) any Original Hedging Provider;
and
- (b) any entity which has become a Party as a Hedging Provider in accordance with clause 35.13(*Accession of Hedging Providers to this Agreement*)

and **Hedging Providers** means any or all of them.

Hedging Provider Accession Letter means a document substantially in the form set out in Schedule 8 (*Form of Hedging Provider Accession Letter*).

Hedging Transaction has, in relation to any Hedging Master Agreement, the meaning given to the term "Transaction" in that Hedging Master Agreement and **Hedging Transactions** means any or all of them.

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

Impaired Agent means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of Defaulting Lender;
or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within 3 Business Days of its due date; or
- (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question

Increased Costs has the meaning given to that term in clause 15.1(*Increased costs*).

Indemnified Person means:

- (a) each Finance Party, EIFO, each Receiver, any Delegate and any attorney, agent or other person appointed by them under the Finance Documents;
- (b) each Affiliate of those persons;
and

- (c) any officers, directors, employees, advisers, representatives or agents of any of the above persons.

Initial Bareboat Charter means, in relation to each relevant Ship, the Bareboat Charter or, in the case of Ship D, Bareboat Charters for that Ship the details of which are provided in Schedule 2 (*Ship information*) under the relevant Ship and **Initial Bareboat Charters** means all of them.

Insolvency Event in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other enforcement action or legal process levied, enforced, taken or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or

- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Insurance Notice means, in relation to a Ship, a notice of assignment of Insurances in the form scheduled to any of the Ship's General Assignments or in another approved form.

Insurances means, in relation to a Ship:

- (a) all policies and contracts of insurance;
and
- (b) all entries in a protection and indemnity or war risks or other mutual insurance association,

in the name of such Ship's Owner or the joint names of its Owner and any other person in respect of or in connection with such Ship and includes all benefits thereof (including the right to receive claims and to return of premiums), but it excludes loss of hire or Earnings insurances.

Interbank Market means the European interbank market.

Interest Period means, in relation to a Loan, each period determined in accordance with clause 11(*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 10.4 (*Default interest*).

Intermediate Subsidiaries means Atlantis Investor Co, Atlantis Equity Co and Atlantis Mid Co.

Interpolated Screen Rate means, in relation to EURIBOR for an Interest Period with respect to any Loan or any part of it or any Unpaid Sum, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period;
and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period,

each as of 11:00 a.m. (Brussels time) on the relevant Quotation Day.

Inventory of Hazardous Material means, in relation to a Ship, a statement of compliance issued by the relevant Classification Society and which includes a list of any and all materials known to be potentially hazardous utilised in the construction of the Ship and which also may be referred to as a List of Hazardous Material.

JV Bareboat Charter means, in relation to each Ship, a bareboat charter for that Ship entered into pursuant to the terms of, and defined as such in, clause 25.8(c) (*Chartering*).

Last Availability Date means:

- (a) in relation to Facility A and each Facility A Loan, the date falling one calendar month before its Final Repayment Date;
- (b) in relation to Facility B and each Facility B Loan, the date falling one calendar month before its Final Repayment Date;
or
- (c) in relation to Facility C and each Facility C Loan, the earlier of (a) the Utilisation Date of that Facility C Loan, (b) the date falling five (5) Business Days following the Redelivery Date for the relevant Existing Ship and (c) the Backstop Date for such Existing Ship,

or, in each such case, such later date as may be approved by all the Lenders and, in the case of Facility C only, EIFO.

Legal Opinion means any legal opinion delivered to the Agent and the Security Agent under clause 4(*Conditions of Utilisation*).

Legal Reservations means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Act 1980 and the Foreign Limitation Periods Act 1984;
- (c) the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (d) similar principles, rights and defences under the laws of any Relevant Jurisdiction;
and
- (e) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

Lender means:

- (a) any of the Original Lenders;
and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with any provisions of this Agreement,

which in each case has not ceased to be a Party as Lender in accordance with the terms of this Agreement, and **Lenders** means all of them.

Loans mean the aggregate of all the Facility A Loans, the Facility B Loans and the Facility C Loans made or to be made under this Agreement or the principal amount outstanding of those loans and **Loan** shall mean any of them.

Loss Payable Clauses means, in relation to a Ship, the provisions concerning payment of claims under the Ship's Insurances in the form scheduled to any of the Ship's General Assignments or in another approved form.

Losses means any costs, expenses (including, but not limited to, legal fees), payments, charges, losses, demands, liabilities, taxes (including VAT), claims, actions, proceedings, penalties, fines, damages, judgments, orders or other sanctions.

Major Casualty means any casualty to a vessel for which the total insurance claim, inclusive of any deductible, exceeds or may exceed the Major Casualty Amount.

Major Casualty Amount means, in relation to a Ship, the amount specified as such against the name of that Ship in Schedule2 (*Ship information*) for such Ship or the equivalent in any other currency.

Majority Lenders means a Lender or Lenders whose Commitments aggregate more than 66 2/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3% of the Total Commitments immediately prior to the reduction).

Management Agreement means, in relation to a Ship, the agreement between the relevant Owner or Bareboat Charterer (as applicable) and a Manager relating to the appointment of that Manager in respect of such Ship.

Manager means, in relation to each Ship, the Bareboat Charterer of such Ship (including where a separate Management Agreement has been entered into between the relevant Owner and the relevant Bareboat Charterer) from time to time as technical manager and commercial manager of

such Ship, or another manager appointed by an Owner or Bareboat Charterer (as applicable) of the relevant Ship as the technical and/or commercial manager of such Ship in accordance with clause 25.4 (*Manager*).

Manager's Undertaking means in relation to a Ship, an undertaking by any manager of the Ship (other than where such manager is also the Bareboat Charterer of such Ship and a Guarantor) to the Security Agent in the agreed form, including pursuant to clause 25.4 (*Manager*).

Mandatory Declassification Event means a Declassification Event under paragraphs (b) and/or (c) of the definition of Declassification Event.

Margin means:

- (a) the following rate per annum in relation to each Facility, subject to paragraph (b) below:
 - (i) in relation to Facility A, 2.35 per cent per annum;
 - (ii) in relation to Facility B, 2.85 per cent per annum and provided that such rate shall increase by an amount of 0.25 per cent per annum at the end of each 3 month period (being 1 per cent per annum over each 12 month period) starting from the first 3 month period after the date falling 12 months after the Closing Date;
 - (iii) in relation to Facility C, 0.95 per cent per annum;
or
- (b) such other rate per annum as may be determined to be the Margin from time to time in accordance with the adjustment provisions of clause 10.2 (*Green Loan Margin Adjustment*).

Material Adverse Effect means a material adverse effect on:

- (a) the operations, property or condition (financial or otherwise) of the Obligors taken as a whole;
or
- (b) the ability of an Obligor to perform its obligations under any of the Finance Documents;
or
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of any Security Interest granted or purporting to be granted pursuant to any of, the Finance Documents or any of the rights or remedies of any Finance Party under any of the Finance Documents.

Measurement Period has the meaning given to that term in clause 22.2(*Financial definitions*).

Merger means the Borrower's planned combination with the Target pursuant to a share exchange and through the merger of the Target with and into the Merger Subsidiary, with the Merger Subsidiary as the surviving entity, upon which (a) the Borrower obtains ownership of the majority of shares and control of the Target and (b) Target Investor Co and its Subsidiaries at the time will each become wholly-owned Subsidiaries of the Borrower and part of the Group, as contemplated pursuant to the Business Combination Agreement.

Merger Agreement means an agreement and plan of merger entered into or to be entered into by and among Merger Subsidiary and the Target as amended from time to time.

Merger Subsidiary means Wind MI Ltd, a company incorporated and existing under the laws of the Republic of the Marshall Islands with company number 122861.

Minimum Bareboat Charter Hire means, in relation to a Ship, its Owner, and a Bareboat Charter relevant to it, an amount which, for the entire tenor of that Bareboat Charter is, in the reasonable opinion of all the Lenders, sufficient:

- (a) to allow the Owner of such Ship to pay when they fall due any and all costs and expenses (including operating costs and expenses) of the Ship which are for the account of that

Owner under the terms of the Bareboat Charter, including any and all maintenance, management, drydocking, insurance, general and administrative costs, expenses, indemnities and any and all other costs, expenses and Taxes of the Owner in connection with its own and the Ship's administration, operation, corporate existence, ownership of assets and taxation (as applicable); and

- (b) to allow for an additional amount of 10% of all the above sums under paragraph (a) at any given time as contingency for additional payments which the Owner may have to make,

in each case, as any such amounts may fall due during the entire tenor of that Bareboat Charter or are otherwise connected with that Bareboat Charter and provided that the charter hire under a Bareboat Charter shall not at any time exceed the maximum amount permitted by transfer pricing regulations applicable to the relevant Bareboat Charterer and/or Owner.

Minimum Value means, at any time, the amount in euro which is at that time 150 per cent (or, at any time prior to the Redelivery of both Existing Ships, 120 per cent) of the amount which is the sum of:

- (a) the aggregate of (i) the Loans outstanding and (ii) the Ancillary Outstandings under all the Ancillary Facilities (with the exception of any Ancillary Outstandings which have been utilised for the purpose of the operation and/or trading of the Newbuild Ships or any of them);

minus

- (b) the value of any additional security then held by the Security Agent or any other Finance Party provided pursuant to clause 28.13 *Security shortfall*) in the form of cash deposit in euros (but always subject to clause 28.14 *Creation of additional security*));

minus

- (c) in relation to any Mortgaged Ship which has become a Total Loss but whose Disposal Repayment Date has not then occurred, such part of the Loans as will be required to be prepaid upon such Disposal Repayment Date under clause 8.8 *(Sale or Total Loss)*.

Month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in the calendar month in which that period is to end (if there is one) or on the immediately preceding Business Day (if there is not);
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

Mortgage means, in relation to a Ship, a first priority or (as the case may be) first preferred mortgage of the Ship in the agreed form by the relevant Owner in favour of the Security Agent or any other Finance Party.

Mortgage Period means, in relation to a Mortgaged Ship, the period from the date the Mortgage over that Ship is executed and registered until the date such Mortgage is released and discharged or, if earlier, its Total Loss Date.

Mortgaged Ship means, at any relevant time, any Ship which is subject to a Mortgage and/or whose Earnings, Insurances and Requisition Compensation are subject to a Security Interest under the Finance Documents.

Newbuild Ships means the following ships owned or to be purchased by Group Members:

- (a) the ship with hull number N1063 and currently under construction by COSCO Shipping (Qidong) Offshore Co., Ltd.;
- (b) the ship with hull number N1064 and currently under construction by COSCO Shipping (Qidong) Offshore Co., Ltd.;
- (c) the ship with hull number 1130 and currently under construction by COSCO Shipping (Qidong) Offshore Co., Ltd.; and
- (d) the ship with hull number 1131 and currently under construction by COSCO Shipping (Qidong) Offshore Co., Ltd.

New Lender has the meaning given to that term in clause 35(*Changes to the Lenders*).

Notifiable Debt Purchase Transaction has the meaning given to that term in clause 36.3 *Disenfranchisement of Debt Purchase Transactions entered into by Borrower Affiliates*).

Obligors means the Borrower, the Guarantors, Atlantis Mid Co and any Manager (with the exception of any Manager who is not a Group Member), and **Obligor** means any one of them.

Original Account Security means the Account Security in relation to the Account of each Original Guarantor.

Obligors' Agent means the Borrower.

Original Financial Statements means the audited consolidated financial statements of the Borrower for its Financial Year ended 31 December 2022, the audited consolidated financial statements of the Target for its Financial Year ended 31 December 2022, the unaudited consolidated financial statements of the Borrower for the financial half year ended 30 June 2023 and the unaudited consolidated financial statements of the Target for the financial half year ended 30 June 2023.

Original Guarantors means the Original Owners.

Original Obligors means the Obligors as at the date of this Agreement.

Original Owner means, in relation to each of Ship A and Ship B, the person specified against the name of that Ship as its "**Owner**" in Schedule 2 (*Ship information*) and **Original Owners** means all of them.

Original Jurisdiction means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement or, in the case of an Additional Guarantor, as at the date on which that Additional Guarantor becomes Party.

Original Schedule of Repayment Amounts means Schedule 6 to this Agreement.

Original Share Security means the Share Security in relation to the shares of each Original Guarantor.

Original Security Documents means:

- (a) the Mortgages over each of the Ships;

- (b) the Deeds of Covenant in relation to each of the Ships in respect of which the Mortgage is in account current form and where it is customary to grant a deed of covenant;
- (c) the General Assignments in relation to each of the Ships, one by each Owner and each Bareboat Charterer of each Ship;
- (d) the Share Security in relation to each Guarantor;
- (e) the Account Security in relation to each Account;
- (f) the Hedging Contract Security;
- (g) any Subordination Deed; and
- (h) any Manager's Undertaking.

Owner means:

- (a) from the date of this Agreement up to the Closing Date, any of the Original Owners; and
- (b) from (and including) the Closing Date and at all times thereafter, any of the Original Owners or the Target Owners,

and in each case, **Owners** means any or all of them.

Participating Member State means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Party means a party to this Agreement.

Permitted Distribution means a dividend or other distribution (in cash or in kind) made by the Borrower in respect of a prior Financial Year provided that the Borrower confirms to the Finance Parties by submitting a written certificate signed by its Chief Financial Officer or its Chief Executive Officer, that:

- (a) the dividend or other distribution constitutes no more than 50% of the Borrower's consolidated net profit for such prior Financial Year, as the same is shown in the then latest Annual Financial Statements (as defined in clause 21 (*Information undertakings*)) for the Measurement Period corresponding to such Financial Year; and
- (b) the financial covenants under clause 22 (*Financial Covenants*) forecasted and calculated on a pro forma basis for the 12 month period starting on the date of the certificate will be complied with.

Permitted Maritime Liens means, in relation to any Mortgaged Ship:

- (a) unless a Default is continuing, any ship repairer's or outfitter's possessory lien in respect of the Ship for an amount not exceeding the Major Casualty Amount for such Ship;
- (b) any lien on the Ship for master's, officer's or crew's wages outstanding in the ordinary course of its trading;
- (c) any lien for master's disbursements incurred in the ordinary course of trading;
- (d) any lien on the Ship for salvage; and
- (e) any liens arising on the Ship by operation of law in the ordinary course of trading provided they secure obligations not more than 30 days overdue.

Permitted Reorganisation means the reorganisation of the Merger Subsidiary and its Subsidiaries following the Closing Date, upon the completion of which each of the following shall have occurred:

- (a) each of the Merger Subsidiary and the Bermuda Subsidiary shall be dissolved or otherwise cease to be a Group Member or, alternatively, become an Additional Guarantor in accordance with the terms of this Agreement; and
- (b) each of the Intermediate Subsidiaries shall be dissolved or otherwise cease to be a Group Member, or, alternatively, become an Additional Guarantor in accordance with the terms of this Agreement; and
- (c) Target Investor Co shall become a direct wholly-owned Subsidiary of the Borrower or of an Additional Guarantor; and
- (d) each Target Subsidiary Guarantor shall become a direct (or indirect in the case of Seajacks 3 Japan LLC) wholly-owned Subsidiary of Target Investor Co.

Permitted Reorganisation Subsidiary mean the Merger Subsidiary, the Bermuda Subsidiary or any of the Intermediate Subsidiaries.

Permitted Security Interests means, in relation to any Mortgaged Ship, any Security Interest over it which is:

- (a) granted by the Finance Documents;
or
- (b) a Permitted Maritime Lien;
or
- (c) approved by the Majority Lenders.

Pollutant means and includes crude oil and its products, any other polluting, toxic or hazardous substance and any other substance whose release into the environment is regulated or penalised by Environmental Laws.

Poseidon Principles means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published on 18 June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organization from time to time.

Pre-Utilisation Green Loan Compliance Certificate means a Green Loan Compliance Certificate to be provided pursuant to paragraph (b) of clause 10.2 (*Green Loan Margin Adjustment*) in such form similar to that of Schedule 12 (*Form of Green Loan Compliance Certificate*) (but adjusted to take into account the Green Loan Criteria as applicable to the Pre-Utilisation Green Loan Compliance Certificate) as is acceptable to the Agent (acting reasonably).

Quasi-Security has the meaning given to that term in clause 31.2 (*General negative pledge*).

Quiet Enjoyment Agreement means, in relation to a Ship, a letter by the Security Agent addressed to, and acknowledged by, a charterer of that Ship (other than a Bareboat Charterer) in the agreed form.

Quotation Day means, in relation to any period for which an interest rate is to be determined, two TARGET Days before the first day of that period unless market practice in the Interbank Market differs, in which case the Quotation Day shall be determined by the Agent in accordance with market practice in the Interbank Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

Receiver means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property appointed under any Security Document.

Redelivery Date means, in relation to an Existing Ship, the date on which its Redelivery occurs.

Redelivery means, in relation to an Existing Ship, the redelivery of the Existing Ship by the Gusto Contractor and acceptance of the Existing Ship by the relevant Owner under the relevant Gusto Contract with the relevant Upgrade and other works and services completed thereunder, subject to all works and services under the Danish Contract in respect of that Ship having been completed.

Reference Bank Quotation means any quotation supplied to the Agent by a Reference Bank under any Finance Document.

Reference Bank Rate means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks:

- (a) (other than where paragraph (b) below applies) as the rate at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in euro within the Participating Member States for the relevant period; or
- (b) if different, as the rate (if any and applied to the relevant Reference Bank and the relevant period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator.

Reference Banks means, in relation to EURIBOR, such entities as may be appointed by the Agent in consultation with the Borrower.

Reformed Basel III means the agreements contained in "Basel III: Finalising post-crisis reforms" published by the Basel Committee on Banking Supervision in December 2017, as amended, supplemented or restated.

Registry means, in relation to each Ship, such registrar, commissioner or representative of the relevant Flag State who is duly authorised and empowered to register the relevant Ship, the relevant Owner's title to such Ship and the relevant Mortgage and, if applicable, the relevant Deed of Covenant, under the laws of its Flag State.

Related Fund in relation to a fund (the **first fund**), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

Relevant Jurisdiction means, in relation to an Obligor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any Charged Property owned by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) any jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

Repayment Date means, subject to clause 45.7 (*Business Days*) and in respect of a Facility C Loan:

- (a) the First Repayment Date for such Facility C Loan;
- (b) each of the dates falling at intervals of three Months thereafter up to but not including the Final Repayment Date for such Facility C Loan; and
- (c) the Final Repayment Date for such Facility C Loan.

Repeating Representations means each of the representations set out in clauses 20.2 (*Status*) to 20.7 (*Governing law and enforcement*), 20.8(b) and 20.8(e) (*No misleading information*), 20.9(a) to 20.9(c) (*Original Financial Statements*), 20.10 (*Pari passu ranking*), 20.11 (*Ranking and effectiveness of security*), 20.22 (*Anti-corruption law*) and 20.23 (*Security and Financial Indebtedness*).

Replacement Schedule of Repayment Amounts means any replacement Schedule of Repayment Amounts calculated by the Agent in accordance with clause 7 (*Repayment and reduction*).

Requisition Compensation means, in relation to a Ship, any compensation paid or payable by a government entity for the requisition for title, confiscation or compulsory acquisition of such Ship.

Resolution Authority means any body which has authority to exercise any Write-down and Conversion Powers.

Restricted Party means a person that is:

- (a) listed on any Sanctions List or targeted by Sanctions (whether designated by name or by reason of being included in a class of person);
or
- (b) located in or incorporated under the laws of any Sanctioned Country;
- (c) directly or indirectly owned or controlled by, or acting on behalf, at the direction, or for the benefit, of a person referred to in paragraphs (a) and/or (to the extent relevant under Sanctions) (b) above; or
- (d) otherwise, or will become with the expiry of any period of time, subject to Sanctions.

Revolving Facility means either Facility A or Facility B and **Revolving Facilities** means both of them.

Revolving Loan means a loan made or to be made under Facility A or Facility B or (as the context may require) the outstanding principal amount of that loan and **Revolving Loans** means all of them.

Rollover Loan means one or more Revolving Loans under a Revolving Facility:

- (a) made or to be made on the same day that a maturing Revolving Loan under that Revolving Facility is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the maturing Revolving Loan under that Revolving Facility;
and
- (c) made or to be made for the purpose of refinancing a maturing Revolving Loan under that Revolving Facility.

Sanctioned Country means a country or territory whose government is the target of, or that is subject to, comprehensive country-wide or territory-wide Sanctions (including, as at the date of this Agreement, Cuba, Syria, Iran, North Korea and Crimea as well as the Donetsk, Luhansk, Zaporizhzhia and Kherson regions of Ukraine).

Sanctions means any applicable (to any Obligor, Group Member, each of their directors, officers and employees and/or Finance Party as the context provides) laws, regulations or orders concerning any trade, economic or financial sanctions or embargoes or other restrictive measures enacted or enforced by a Sanctions Authority.

Sanctions Advisory means the sanctions advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities issued May 14, 2020 by the US Department of the Treasury,

Department of State and Coast Guard, as may be amended or supplemented, and any similar future advisory.

Sanctions Authority means the Norwegian State, the United Nations, the European Union, each of the present or future Member States of the European Union, the United Kingdom, the United States of America, the Monetary Authority of Singapore and the Hong Kong Monetary Authority, and the respective governmental institutions and agencies of the foregoing, including but not limited to, His Majesty's Treasury (**HMT**), the Office of Foreign Assets Control of the US department of Treasury (**OFAC**), the United States Department of State, and any of their respective legislative, executive, enforcement and/or regulatory authorities or bodies acting in connection with Sanctions and any governmental authority with jurisdiction over an Obligor.

Sanctions List means:

- (a) the lists of Sanctions designations and/or targets maintained by any Sanctions Authority;
- (b) any other Sanctions designation or target listed and/or adopted by a Sanctions Authority, in all cases, as amended, supplemented or replaced from time to time; and/or
- (c) any similar list maintained by, or any public announcement of Sanctions designation made by, any Sanctions Authority.

Scheduled Redelivery Date means, in respect of an Existing Ship, the date referred to in Schedule 2 (*Ship information*) under such Existing Ship, being the estimated date for Redelivery of the relevant Existing Ship under the Gusto Contract for that Existing Ship as at the date of this Agreement.

Schedule of Repayments Amounts means the Original Schedule of Repayment Amounts or, as the case may be, a Replacement Schedule of Repayment Amounts.

Screen Rate means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower and the Lenders.

Seajacks Japan means Seajacks Japan LLC, a limited liability corporation formed under the laws of Japan with registered number 0100-01-153825.

Seajacks UK means Seajacks UK Limited, a company incorporated under the laws of England and Wales with registered number 06106237.

Secured Obligations means all indebtedness and obligations at any time of any Obligor to any Finance Party (whether for its own account or as agent or trustee for itself and/or other Finance Parties) under, or related to, the Finance Documents and the Ancillary Documents.

Security Agent includes any person as may be appointed as such under the Finance Documents and includes any separate trustee or co-trustee appointment under clause 38.8 (*Additional trustees*).

Security Documents means:

- (a) the Original Security Documents;
- (b) any other document (other than the EIFO Guarantee Policy) as may be executed to guarantee and/or secure any amounts owing to the Finance Parties under this Agreement or any other Finance Document.

Security Interest means a mortgage, charge, pledge, lien, assignment, trust, hypothecation or other security interest of any kind securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Property means:

- (a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Finance Parties and all proceeds of that Transaction Security;
- (b) all obligations expressed to be undertaken by any Obligor to pay amounts in respect of the Secured Obligations to the Security Agent as trustee for the Finance Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor in favour of the Security Agent as trustee for the Finance Parties; and
- (c) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Finance Parties.

Security Value means, at any time, the amount in euro which, at that time, is the aggregate of:

- (a) the aggregate of the values (or, if less in relation to an individual Ship, the maximum amount capable of being secured by the Mortgage of the relevant Ship) of all of the Mortgaged Ships which have not then become a Total Loss; and
- (b) the value of any additional security then held by the Security Agent or any other Finance Party provided under clause 28(*Minimum security value*),

in each case as most recently determined in accordance with this Agreement (but excluding the value of any additional security then held by the Security Agent or any other Finance Party provided pursuant to clause 28.13 (*Security shortfall*) in the form of cash deposits in euro).

Selection Notice means a notice substantially in the form set out in Schedule 5 (*Selection Notice*) given in accordance with clause 11(*Interest Periods*).

Separate Loan has the meaning given to that term in clause 7.1 (*Repayment and reduction of Facilities*).

Share Security means, in relation to each Guarantor, the document constituting a first Security Interest by the person(s) described as its shareholder(s) in Schedule 2 (*Ship information*) (and in any other case, by the persons being its shareholder(s)) in favour of the Security Agent or any other Finance Party in the agreed form in respect of all of the shares in such Guarantor.

Ship A means the ship described as such in Schedule 2 (*Ship information*).

Ship B means the ship described as such in Schedule 2 (*Ship information*).

Ship C means the ship described as such in Schedule 2 (*Ship information*).

Ship D means the ship described as such in Schedule 2 (*Ship information*).

Ship means:

- (a) from the date of this Agreement up to the Closing Date, any of Ship A and Ship B; and
- (b) from (and including) the Closing Date and at all times thereafter, any of Ship A, Ship B, Ship C and Ship D,

and in each case, **Ships** means any or all of them.

Ship Representations means each of the representations and warranties set out in clauses 20.34 (*Ship status*) and 20.35 (*Ship's employment*).

Spill means any actual or threatened spill, release or discharge of a Pollutant into the environment.

Statement of Compliance means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

Subordination Deed means, in respect of any Financial Indebtedness owing from any Owner to any other Group Member, a subordination deed in an agreed form between (inter alios) the Security Agent and the lender and borrower of the relevant Financial Indebtedness providing (inter alia) that:

- (a) such Financial Indebtedness is in all respects subject and subordinate to all amounts owing to the Finance Parties under the Finance Documents; and
- (b) if and for as long as an Event of Default is continuing, the lender of such Financial Indebtedness will not be entitled to demand payment or make any claim in respect of the same, whether for principal, interest or any other amounts in connection with the same;
- (c) such Financial Indebtedness, all contracts and agreements in which it is documented and all rights of the lenders of such Financial Indebtedness arising from such contracts or agreements or in connection with such Financial Indebtedness are assigned and/or pledged in favour of the Security Agent; and
- (d) the lender of such Financial Indebtedness owing by the relevant Owner will procure and agree to the full release, discharge and forgiveness of such Financial Indebtedness if any Finance Party has exercised any remedies or rights (or attempted to do so) under any Share Security over the shares in the relevant Owner.

Subsidiary of a person means any other person:

- (a) directly or indirectly controlled by such person;
or
- (b) of whose dividends or distributions on ordinary voting share capital such person is beneficially entitled to receive more than 50 per cent,

and a person is a "**wholly-owned Subsidiary**" of another person if it has no members except that other person and that other person's wholly-owned Subsidiaries or persons acting on behalf of that other person or its wholly-owned Subsidiaries.

Swire Pacific means Swire Pacific Limited of 33/F, One Pacific Place, 88 Queensway, the HKSAR, China and its Subsidiaries from time to time.

T2 means the real time gross settlement system operated by the Eurosystem, or any successor system.

Target Account Security means the Account Security in relation to the Accounts of each Target Guarantor.

TARGET Day means any day on which T2 is open for the settlement of payments in euro.

Target Investor Co means Seajacks International Limited, a company incorporated under the laws of England and Wales with registered number 07964749.

Target means Eneti Inc., a corporation under the laws of the Republic of the Marshall Islands with registered number 60299.

Target Guarantors means Target Investor Co and each Target Subsidiary Guarantor and **Target Guarantor** means any of them.

Target Owner means, in relation to each of Ship C and Ship D, the person specified against the name of that Ship as its "Owner" in Schedule 2 (*Ship information*) and **Target Owners** means all of them.

Target Share Security means the Share Security in relation to the shares of each Target Guarantor.

Target Subsidiary Guarantors means the Target Owners, Seajacks UK and Seajacks Japan and **Target Subsidiary Guarantor** means any of them.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and **Taxation** shall be construed accordingly.

Total Ancillary Facilities Amount means €100,000,000.

Total Commitments means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments, being €450,000,000 at the date of this Agreement.

Total Facility A Commitments means the aggregate of the Facility A Commitments, being €250,000,000 at the date of this Agreement.

Total Facility B Commitments means the aggregate of the Facility B Commitments, being €100,000,000 at the date of this Agreement.

Total Facility C Commitments means the aggregate of the Facility C Commitments, being €100,000,000 at the date of this Agreement.

Total Facility Commitments means the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments and **Total Facility Commitment** shall mean any of them.

Total Loss means, in relation to a vessel, its:

- (a) actual, constructive, compromised, agreed or arranged total loss;
or
- (b) requisition for title, confiscation or other compulsory acquisition by a government entity;
or
- (c) hijacking, piracy, theft, condemnation, capture, seizure, arrest or detention for more than 90 days.

Total Loss Date means, in relation to the Total Loss of a vessel:

- (a) in the case of an actual total loss, the date it happened or, if such date is not known, the date on which the vessel was last reported;
- (b) in the case of a constructive, compromised, agreed or arranged total loss, the earliest of:
 - (i) the date notice of abandonment of the vessel is given to its insurers;
or
 - (ii) if the insurers do not admit such a claim, the date later determined by a competent court of law to have been the date on which the total loss happened; or
 - (iii) the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the vessel's insurers;

- (c) in the case of a requisition for title, confiscation or compulsory acquisition, the date it happened; and
- (d) in the case of hijacking, piracy, theft, condemnation, capture, seizure, arrest or detention, the date 90 days after the date upon which it happened.

Total Loss Repayment Date means, where a Mortgaged Ship has become a Total Loss, the earlier of:

- (a) the date 180 days after its Total Loss Date; and
- (b) the date upon which insurance proceeds or Requisition Compensation for such Total Loss are paid by insurers or the relevant government entity.

Transaction Document means:

- (a) each Upgrade Contract Document for a Ship;
- (b) each Bareboat Charter for a Ship;
- (c) each Charter Document for a Ship;
- (d) each of the Acquisition Documents; and
- (e) each of the Finance Documents.

Transaction Security means the Security Interests created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

Transfer Certificate means a certificate substantially in the form set out in Schedule 10 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

Transfer Date means, in relation to an assignment pursuant to a Transfer Certificate, the later of:

- (a) the proposed Transfer Date specified in the Transfer Certificate; and
- (b) the date on which the Agent executes the Transfer Certificate.

Treasury Transaction means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

UK Bail-In Legislation means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

Unpaid Sum means any sum due and payable but unpaid by an Obligor under the Finance Documents.

Upgrade means, in relation to an Existing Ship, the replacement of the existing main crane on such Existing Ship with a new main crane to have specifications matching those of new build vessels for wind turbine generators and foundation installation in offshore wind.

Upgrade Contracts means, in relation to an Existing Ship:

- (a) the relevant Gusto Contract; and
- (b) the relevant Danish Contract,

and **Upgrade Contract** means any of them.

Upgrade Contract Documents means, in relation to an Existing Ship, each Upgrade Contract in respect of that Existing Ship and any guarantee or security given by any person to the relevant Owner for the Contractor's obligations under any such Upgrade Contract and **Upgrade Contract Document** means any of them.

US means the United States of America.

Utilisation means the making of a Loan.

Utilisation Date means the date on which a Utilisation is to be made.

Utilisation Request means a notice substantially in the form set out in Schedule 4 (*Utilisation Request*).

VAT means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

Voluntary Declassification Event means a Declassification Event under paragraph (a) of the definition of Declassification Event.

Write-down and Conversion Powers means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to any UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
- (c) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in any of the Finance Documents to:
- (i) Sections, clauses and Schedules are to be construed as references to the Sections and clauses of, and the Schedules to, the relevant Finance Document and references to a Finance Document include its Schedules;
 - (ii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as it may from time to time be amended, restated, novated or replaced, however fundamentally;
 - (iii) words importing the plural shall include the singular and vice versa;
 - (iv) a time of day are to Central European time (CET);
 - (v) any person includes its successors in title, permitted assignees or transferees;
 - (vi) shall be construed so as to mean the knowledge, awareness and beliefs of the director and officers of such Obligor, having made due and careful enquiry;
 - (vii) two or more persons are acting in concert if pursuant to an agreement or understanding (whether formal or informal) they actively co-operate, through the acquisition (directly or indirectly) of shares, partnership interest or units or limited liability company interest in an entity by any of them, either directly or indirectly, to obtain or consolidate control of that entity;
 - (viii) a document in agreed form means:
 - (A) where a Finance Document has already been executed by all of the relevant parties to it, such Finance Document in its executed form;
 - (B) prior to the execution of a Finance Document, the form of such Finance Document separately agreed in writing between the Agent and the Borrower as the form in which that Finance Document is to be executed or another form approved at the request of the Borrower or, if not so agreed or approved, is in the form specified by the Agent;
 - (ix) **approved by the Majority Lenders** or **approved by the Lenders** means approved in writing by the Agent acting on the instructions of the Majority Lenders or, as the case may be, all of the Lenders (on such conditions as they may respectively impose) and otherwise **approved** means approved in writing by the Agent acting on the instructions of the Majority Lenders (on such conditions as the Agent (acting on the instructions of the Majority Lenders) may impose) and **approval** and **approve** shall be construed accordingly;
 - (x) **assets** includes present and future properties, revenues and rights of every description;
 - (xi) a n **authorisation** means any authorisation, consent, concession, approval, resolution, licence, exemption, filing, notarisation or registration;
 - (xii) **charter commitment** means, in relation to a vessel, any charter or other contract for the use, employment or operation of that vessel or the carriage of people and/or cargo or the provision of services by or from it and includes any contract of affreightment or any contract for services relating to that vessel and any agreement for pooling or sharing income derived from any such charter or other contract;
 - (xiii) **control** of an entity means:
-

- (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
- (1) cast, or control the casting of, more than 50 per cent of the maximum number of votes that might be cast at a general meeting of that entity; or
 - (2) appoint or remove all, or the majority, of the directors or other equivalent officers of that entity; or
 - (3) give directions with respect to the operating and financial policies of that entity with which the directors or other equivalent officers of that entity are obliged to comply; and/or
- (B) the holding beneficially of more than 50 per cent of the issued share capital of that entity (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital) (and, for this purpose, any Security Interest over share capital shall be disregarded in determining the beneficial ownership of such share capital),
- and **controlled** shall be construed accordingly;
- (xiv) the term **disposal** or **dispose** means a sale, transfer or other disposal (including by way of lease or loan but not including by way of loan of money) by a person of all or part of its assets, whether by one transaction or a series of transactions and whether at the same time or over a period of time, but not the creation of a Security Interest;
- (xv) the **equivalent** of an amount specified in a particular currency (the **specified currency amount**) shall be construed as a reference to the amount of the other relevant currency which can be purchased with the specified currency amount in the London foreign exchange market at or about 11.00 a.m. on the date the calculation falls to be made for spot delivery, as conclusively determined by the Agent (with the relevant exchange rate of any such purchase being the **Agent's spot rate of exchange**);
- (xvi) a **government entity** means any government, state or agency of a state;
- (xvii) a **group of Lenders** or a **group of Finance Parties** includes all the Lenders or (as the case may be) all the Finance Parties;
- (xviii) a **guarantee** means (other than in clause 19 (*Guarantee and indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (xix) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (xx) an **obligation** means any duty, obligation or liability of any kind;
- (xxi) something being in the **ordinary course of business** of a person means something that is in the ordinary course of that person's current day-to-day operational business (and not merely anything which that person is entitled to do under its Constitutional Documents);
- (xxii) **pay, prepay** or **repay** in clause 31 (*Business restrictions*) includes by way of set-off, combination of accounts or otherwise;

- (xxiii) a **person** includes any individual, firm, company, corporation, government entity or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (xxiv) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and, in relation to any Lender, includes (without limitation) any Basel Regulation which is applicable to that Lender;
- (xxv) **right** means any right, privilege, power or remedy, any proprietary interest in any asset and any other interest or remedy of any kind, whether actual or contingent, present or future, arising under contract or law, or in equity;
- (xxvi) **trustee, fiduciary and fiduciary duty** has in each case the meaning given to such term under applicable law;
- (xxvii)(i) the **liquidation, winding up, dissolution, or administration** of person or (ii) a **receiver or administrative receiver or administrator** in the context of insolvency proceedings or security enforcement actions in respect of a person shall be construed so as to include any equivalent or analogous proceedings or any equivalent and analogous person or appointee (respectively) under the law of the jurisdiction in which such person is established or incorporated or any jurisdiction in which such person carries on business including (in respect of proceedings) the seeking or occurrences of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors; and
- (xxviii) a provision of law is a reference to that provision as amended or re-enacted from time to time.
- (b) The determination of the extent to which a rate is **"for a period equal in length"** to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
- (c) Where in this Agreement a provision includes a monetary reference level in one currency, unless a contrary indication appears, such reference level is intended to apply equally to its equivalent in other currencies as of the relevant time for the purposes of applying such reference level to any other currencies.
- (d) Section, clause and Schedule headings are for ease of reference only.
- (e) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (f) The Borrower providing **cash cover** for an Ancillary Facility means the Borrower paying an amount in the currency of the Ancillary Facility to an account and the following conditions being met:
- (i) either:
- (A) the account is in the name of the Borrower and is with the Ancillary Lender for which that cash cover is to be provided and, until no amount is or may be outstanding under that Ancillary Facility, withdrawals from the account may only be made to pay the relevant Finance Party amounts due and payable to it under this Agreement in respect of that Ancillary Facility; or
- (B) the account is in the name of the Ancillary Lender for which that cash cover is to be provided;
and

- (ii) the Borrower has executed documentation in form and substance satisfactory to the Finance Party for which that cash cover is to be provided, creating a first ranking security interest or other collateral arrangement, in respect of the amount of that cash cover.
- (g) A Default (other than an Event of Default) is continuing if it has not been remedied (if capable of being remedied) or waived and an Event of Default is continuing if it has not been waived.
- (h) Unless a contrary indication appears, in the event of any inconsistency between the terms of this Agreement and the terms of any other Finance Document when dealing with the same or similar subject matter, the terms of this Agreement shall prevail.
- (i) The Borrower **repaying** or **prepaying** Ancillary Outstandings means:
 - (i) the Borrower providing cash cover in respect of the Ancillary Outstandings;
 - (ii) the maximum amount payable under the Ancillary Facility being reduced or cancelled in accordance with its terms; or
 - (iii) the Ancillary Lender being satisfied that it has no further liability under that Ancillary Facility,and the amount by which Ancillary Outstandings are, repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover, reduction or cancellation.
- (j) An amount borrowed includes any amount utilised under an Ancillary Facility.

1.3 Currency symbols and definitions

- (a) **€**, **EUR** and **euro** denote the lawful currency of the Participating Member States.
- (b) **dollar**, **\$** and **USD** mean the lawful currency of the United States of America;

1.4 Third party rights

- (a) Except for a provision expressed to be in favour of EIFO, rights expressed to be for the benefit of or exercisable by EIFO under a Finance Document or, unless expressly provided to the contrary in a Finance Document, a provision expressed to be for the benefit of a Finance Party or another Indemnified Person, a person who is not a party to a Finance Document has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of the relevant Finance Document.
- (b) Any Finance Document may be rescinded or varied by the parties to it without the consent of any person who is not a party to it (unless otherwise provided by this Agreement, including in respect of EIFO and without prejudice to the provisions of the EIFO Guarantee Policy).
- (c) An Indemnified Person who is not a party to a Finance Document may only enforce its rights under that Finance Document through a Finance Party and if and to the extent and in such manner as the Finance Party may determine.
- (d) Each party agrees that (i) EIFO shall not have any obligations or liabilities under this Agreement unless and until it becomes a Lender in accordance with the terms of this Agreement and (ii) this Agreement may not be amended to limit, modify or eliminate any rights of EIFO without its prior written consent.

1.5 Finance Documents

Where any other Finance Document provides that this clause 1.5 shall apply to that Finance Document, any other provision of this Agreement which, by its terms, purports to apply to all or

any of the Finance Documents and/or any Obligor shall apply to that Finance Document as if set out in it but with all necessary changes.

1.6 Conflict of documents

- (a) The terms of the Finance Documents (other than as relates to the creation and/or perfection of security) are subject to the terms of this Agreement and, in the event of any conflict between any provision of this Agreement and any provision of any Finance Document (other than in relation to the creation and/or perfection of security) the provisions of this Agreement shall prevail.
- (b) In case of any conflict between any provision of a Finance Document and the EIFO Guarantee Policy, the provisions of the EIFO Guarantee Policy shall, as between the Finance Parties and EIFO, prevail, and to the extent of such conflict or inconsistency, none of the Finance Parties shall assert to EIFO the terms of the relevant Finance Documents.

1.7 Independence of the Finance Documents

Each Obligor acknowledges that its obligations under the Finance Documents:

- (a) are independent and separate from each Upgrade Contract and any other document or agreement (other than any Finance Document);
- (b) are not subject to, or dependent upon, the execution or performance by any Contractor or any other person of its obligations under any Upgrade Contract or any other document, contract or arrangement related to it; and
- (c) will not be affected or discharged by:
 - (i) any matter affecting any Contractor or any other person or any Upgrade Contract or any other document, contract or arrangement related to them;
 - (ii) non-performance, breach, frustration or invalidity of, or the destruction, non-completion or non-functioning of any of the goods and services to be supplied, or rendered, under, any Upgrade Contract or any other document, contract or arrangement related to it;
 - (iii) any dispute under any Upgrade Contract or any other document, contract or arrangement related to it, or any claim which the Borrower, any Contractor or any other person may have against, or consider that it has against or any other person under or in relation to any Upgrade Contract or any other document, contract or arrangement related to it;
 - (iv) any administration, bankruptcy, insolvency, liquidation or similar proceedings commenced against the Contractor or any other person party to any Export Contract, or being applicable to any transactions contemplated thereunder, or any Exporter or any other person party to any Upgrade Contract or any transactions contemplated thereunder being insolvent; or
 - (v) any unenforceability, illegality or invalidity of any obligation of any Contractor or any other person under any Upgrade Contract or any other document, contract or arrangement related thereto.

Section 2 - The Facilities

2 The Facilities

2.1 Facility A

Subject to the terms of this Agreement, the Lenders make available to the Borrower a revolving credit facility in an aggregate amount equal to the Total Facility A Commitments.

2.2 Facility B

Subject to the terms of this Agreement, the Lenders make available to the Borrower a revolving credit facility in an aggregate amount equal to the Total Facility B Commitments.

2.3 Facility C

Subject to the terms of this Agreement, the Lenders make available to the Borrower a term loan facility in an aggregate amount equal to the Total Facility C Commitments.

2.4 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any Loan (or any relevant part of it) or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents (including clause 43(*Finance Parties acting together*)), separately enforce its rights under or in connection with the Finance Documents.

2.5 Obligors' Agent

- (a) Each Obligor (other than the Borrower) by its execution of this Agreement or an Accession Deed irrevocably appoints the Borrower (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Borrower,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions or executed or made the agreements or effected the amendments,

supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3 Purpose

3.1 Purpose

The Borrower shall apply all amounts borrowed under the Facilities in accordance with this clause 3.

3.2 Use

- (a) Facility A shall be made available to the Borrower initially for the purpose of assisting the Borrower to refinance the Existing Facilities in full, and, following the full refinancing of the Existing Facilities, for general corporate and working capital purposes of the Group, including, if necessary, capital required in relation to the Merger, and, in the case of Rollover Loans under Facility A, to repay maturing Facility A Loans under Facility A.
- (b) Facility B shall be made available to the Borrower for general corporate and working capital purposes of the Group, including, if necessary, capital required in relation to the Merger, and, in the case of Rollover Loans under Facility B, to repay maturing Facility B Loans under Facility B.
- (c) The Facility C Ship Commitment for each Existing Ship shall be made available to the Borrower solely for the purpose of assisting the relevant Owner to finance (or refinance) part of the Contract Price for that Existing Ship including such part falling due on its Redelivery by paying the same to the relevant Contractor or, if and to the extent that there is a surplus after such payment to the Contractor because the Facility C Ship Commitment (and the Facility C Loan) for such Existing Ship is more than the part of the Contract Price which it is intended to finance on its Redelivery, the balance shall be paid to the Borrower or its order.

3.3 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4 Conditions of Utilisation

4.1 Initial conditions precedent

The Borrower may not deliver a Utilisation Request unless the Agent, or its duly authorised representative, has received all of the documents and other evidence listed in Part 1 of Schedule 3 (*Conditions precedent*) in form and substance satisfactory to the Agent.

4.2 Conditions precedent to first Utilisation and Facility C Utilisations

- (a) No Commitment may be drawn down under this Agreement unless, on or before the first Utilisation under this Agreement, the Agent, or its duly authorised representative, has

received all of the documents and evidence listed in Part 2 of Schedule 3 (*Conditions precedent*) in form and substance satisfactory to the Agent.

- (b) Without prejudice to the requirements of paragraph (a) above, the Facility C Ship Commitment in respect of an Existing Ship may not be borrowed under this Agreement unless, on or before the Utilisation of such Facility C Loan, the Agent, or its duly authorised representative, has received all of the documents and evidence listed in Part 3 of Schedule 3 (*Conditions precedent*) in relation to such Existing Ship in form and substance satisfactory to the Agent.

4.3 Further conditions precedent

The Lenders will only be obliged to comply with clause 5.4 (*Lenders' participation*):

- (a) in respect of a Loan which is not a Rollover Loan, if:
- (i) on the date of each Utilisation Request and on the proposed Utilisation Date, no Default is continuing or would result from the proposed Utilisation;
 - (ii) in relation to:
 - (A) the first Utilisation under Facility A and Facility B, on the date of the relevant Utilisation Request and on the applicable Utilisation Date, all of the representations set out in clause 20 (*Representations*) are true in all material respects;
 - (B) each Utilisation under Facility A and Facility B (other than as per paragraph (A) above), the Repeating Representations are true in all material respects; and
 - (C) each Utilisation under Facility C, on the date of the Utilisation Request and on the proposed Utilisation Date, all of the representations set out in clause 20 (*Representations*) (except the representations set out in clauses 20.14 (*No filing or stamp taxes*) to 20.17 (*Other Tax matters*) and clause 20.28 (*No adverse consequences*)) are true in all material respects;
 - (iii) no events, facts, conditions or circumstances shall exist or have arisen or occurred (and neither the Agent nor any Lender shall have become aware of other events, facts, conditions or circumstances not previously known to it), which the Agent (acting on the instructions of the Majority Lenders) shall determine, have had or could reasonably be expected to have, a Material Adverse Effect; and
 - (iv) in relation to a Facility C Loan only, neither the Agent nor the EIFO Agent has received any notice from EIFO:
 - (A) requesting the Lenders or any other Finance Party to suspend the Utilisation of Facility C;
or
 - (B) that the relevant Utilisation would not be covered by the EIFO Guarantee Policy;
or
- (b) in respect of a Rollover Loan, if:
- (i) on the date of each Utilisation Request and on the proposed Utilisation Date, no Event of Default is continuing or would result from the proposed Utilisation; and
 - (ii) in relation to each Utilisation, on the date of the Utilisation Request and on the proposed Utilisation Date, all of the Repeating Representations are true in all material respects; or

- (c) in respect of any Loan or any Rollover Loan, if:
 - (i) the Security Value is not less than the Minimum Value on the relevant Utilisation Date or would not be as a result of such Utilisation; or
 - (ii) the outstanding amount of the Loans does not exceed the Contracted Cash Flows Limit as shown in the latest Contracted Cash Flows Certificate provided pursuant to clause 21.4 (*Provision and contents of Compliance Certificate and Contracted Cash Flows Certificate*) as at the relevant Utilisation Date or would exceed it as a result of such Utilisation.

4.4 Conditions subsequent

The Borrower shall, as soon as practicable after the date of this Agreement and in any event within the time period stated in Part 5 of Schedule 3 (*Conditions precedent*), deliver to the Agent all of the documents and evidence listed in Part 5 of Schedule 3 (*Conditions precedent*), in form and substance satisfactory to the Agent.

4.5 Waiver of conditions precedent

The conditions in this clause 4 are inserted solely for the benefit of the Finance Parties and may be waived on their behalf in whole or in part and with or without conditions:

- (a) in the case of a Utilisation under Facility A or Facility B, by the Agent acting on the instructions of the Majority Lenders; or
- (b) in the case of a Utilisation under Facility C, by the Agent acting on the instructions of all the Facility C Lenders and EIFO.

Section 3 - Utilisation

5 Utilisation

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facilities by delivery to the Agent of a duly completed Utilisation Request not later than 10:00 a.m. (Oslo time) three Business Days before the proposed Utilisation Date (and in relation to the first Utilisation of the Facilities only, not later than 5:00 p.m. (Oslo time) two Business Days before the proposed Utilisation Date) (or such later date before the proposed Utilisation Date as may be approved by all the Lenders).

5.2 Completion of a Utilisation Request

- (a) A Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) it identifies the Facility to be utilised;
 - (ii) in relation to a Utilisation under Facility C, it identifies the Facility C Ship Commitment, the Facility C Loan and the Existing Ship to which it relates;
 - (iii) the proposed Utilisation Date in respect of a Loan under a Facility is a Business Day falling not later than the Last Availability Date for that Loan;
 - (iv) the currency and amount of the Utilisation comply with clause 5.3(*Currency and amount*);
 - (v) the proposed Interest Period complies with clause 11 (*Interest Periods*); and
 - (vi) it identifies the purpose for the Utilisation and that purpose complies with clause 3 (*Purpose*).
- (b) Only one Loan in respect of each Facility may be requested in each Utilisation Request.
- (c) The Facility C Ship Commitment for an Existing Ship may only be borrowed in one Facility C Loan and only one Facility C Loan may be requested in respect of each Facility C Ship Commitment.
- (d) The Borrower may not deliver a Utilisation Request if, at the time of the proposed Utilisation, more than five (5) Revolving Loans would be outstanding under the same Revolving Facility. Any Separate Loan shall not be taken into account in this paragraph (d).
- (e) The Borrower may not deliver a Utilisation Request under Facility C unless, at the time of the proposed Utilisation, at least one (1) Revolving Loan has been previously utilised.
- (f) The Borrower may not deliver a Utilisation Request under Facility C unless the amount of the Active Revolving Facilities is and will be equal to or higher than the aggregate amount of the outstanding Loans under Facility C and the Available Facility C Facility prior to and immediately following the proposed Utilisation Date.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be euro but the Borrower may request that, forthwith upon the relevant Utilisation and before disbursement by the Agent at a currency exchange rate and in such manner as is agreed between the Agent and the Borrower and at the cost and expense of the Borrower, a Loan or part thereof be converted from euro to USD by the Agent.

- (b) The total amount available and advanced under the Facilities shall not exceed the Total Commitments.
- (c) The total amount available and advanced under Facility A and any proposed Facility A Loan specified in a Utilisation Request shall not exceed the Total Facility A Commitments.
- (d) The total amount available and advanced under Facility B and any proposed Facility B Loan specified in a Utilisation Request shall not exceed the Total Facility B Commitments.
- (e) The total amount available and advanced under Facility C shall not exceed the lower of:
 - (i) the Total Facility C Commitments;
and
 - (ii) the amount in euro which is equal to eighty five per cent (85%) of the sum of the Contract Price for Ship A and the Contract Price for Ship B (in euro where so denominated and for such part of the Contract Price denominated in other currencies, the equivalent in euro of such part denominated in such other currencies).
- (f) Any proposed Facility C Loan specified in a Utilisation Request in relation to an Existing Ship shall not exceed the lower of:
 - (i) the Facility C Ship Commitment for that Existing Ship;
and
 - (ii) the amount in euro which is equal to eighty five per cent (85%) of the Contract Price for that Existing Ship (in euro where so denominated and for such part of the Contract Price denominated in other currencies, the equivalent in euro of such part denominated in such other currencies).
- (g) A Facility A Loan shall be used for the purpose specified in clause 3 (*Purpose*) for Facility A and a Facility B Loan shall be used for the purpose specified in clause 3 (*Purpose*) for Facility B.
- (h) A Facility C Loan shall be used for the purpose specified in clause 3 (*Purpose*) and utilised solely in relation to the Existing Ship to which that Facility C Loan relates, namely:
 - (i) Facility C Loan A shall be made available under the Facility C Ship Commitment for Ship A and shall be used solely in relation to Ship A; and
 - (ii) Facility C Loan B shall be made available under the Facility C Ship Commitment for Ship B and shall be used solely in relation to Ship B.
- (i) A proposed Revolving Loan specified in a Utilisation Request in relation to a Revolving Facility must be a minimum of €1,000,000 or, if less, the amount of the Revolving Facility which is then available for Utilisation under this Agreement, less the amount of the outstanding Revolving Loans under such Revolving Facility.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Lender shall make available its participation in each Loan under a Facility in which it participates by 11:00 am (CET time) on the relevant Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in a Facility A Loan will be equal to the proportion borne by its Facility A Available Commitment to the Available Facility A Facility immediately prior to making the relevant Facility A Loan.
- (c) The amount of each Lender's participation in a Facility B Loan will be equal to the proportion borne by its Facility B Available Commitment to the Available Facility B Facility immediately prior to making the relevant Facility B Loan.

- (d) The amount of each Lender's participation in a Facility C Loan will be equal to the proportion borne by its Facility C Commitment to the Total Facility C Commitments immediately prior to making the relevant Facility C Loan.
- (e) The Agent shall promptly notify each Lender of the amount of each Loan and the relevant Facility under which it is utilised (and, in the case of a Facility C Loan, the Facility C Ship Commitment to which it relates) and the amount of its participation (if any) in such Loan, in each case by 11:00 a.m. (CET time) on the relevant Quotation Day.
- (f) The Agent shall pay all amounts received by it in respect of each Loan (and its own participation in it, if any) to the Borrower or the account of any of them or, in the case of a Facility C Loan, the Contractor, in each case in accordance with the instructions contained in the Utilisation Request.

5.5 Pre-placement of Facility C Loans

- (a) Notwithstanding that the Borrower may have not yet satisfied all of the conditions precedent set out in Schedule 3 (*Conditions precedent*) for the Utilisation of a Facility C Loan, in order to facilitate compliance by any Original Owner with an Upgrade Contract for an Existing Ship, and provided that:
 - (i) the Borrower has submitted a Utilisation Request in respect of a Facility C Loan for that Existing Ship in accordance with this clause 5;
 - (ii) the Borrower has satisfied the conditions precedent set out in Part 1 and Part 2 of Schedule 3 (*Conditions precedent*) and (in relation to that Facility C Loan) in paragraph 2 of Part 3 of Schedule 3 (*Conditions precedent*); and
 - (iii) in the reasonable opinion of the Agent the Borrower is reasonably likely to satisfy all remaining and outstanding conditions precedent set out in Part 3 of Schedule 3 (*Conditions precedent*) in relation to the Existing Ship to which such Facility C Loan relates within five Business Days from the Utilisation Date for such Facility C Loan and in any event on or before the Release for such Facility C Loan (as defined below in clause 5.5(b)),

the Lenders shall, subject to the other terms and conditions of this clause 5.5 and the other provisions of this Agreement, make such Facility C Loan available on the date specified in the relevant Utilisation Request, being a date not earlier than three Business Days prior to the expected Redelivery Date of the relevant Existing Ship, to facilitate the deposit of the final instalment of the relevant Contract Price in accordance with the relevant Upgrade Contract with a bank required by the relevant Contractor and at all times acceptable to all the Lenders (acting reasonably) (a **Contractor's Bank**).

- (b) A Facility C Loan utilised pursuant to this clause 5.5 (or such part of such Facility C Loan as shall be required to ensure that all payments due under the relevant Upgrade Contract on Redelivery of such Existing Ship are made) (a **Pre-placed Loan**) shall (subject to the other provisions of this Agreement) be remitted by the Agent to the relevant Contractor's Bank as a cash deposit in the Agent's name, on condition that it will be held by the relevant Contractor's Bank to the order of the Agent for release by the Agent to the relevant Contractor (a **Release**) and only subject to such irrevocable instructions addressed from the Agent to the relevant Contractor's Bank as are acceptable to the Agent (**Irrevocable Instructions**).
- (c) Any such Irrevocable Instructions in relation to a Pre-placed Loan shall in any event provide (*inter alia*) that the relevant Pre-placed Loan shall be returned to the Agent (in euro, at the Borrower's cost and expense) within seven Business Days if not released to the Contractor or its order. The Finance Parties and the Obligors hereby agree that the relevant Pre-placed Loan shall not be released to the Contractor or to its order, and the Agent (and the authorised representatives of the Agent specified in the Irrevocable Instructions) shall not release or agree to release (whether by countersigning the "Completion Certificate" (as defined in the

relevant Gusto Contract) in respect of the relevant Existing Ship or otherwise) the relevant Pre-placed Loan to the relevant Contractor or its order, unless and until:

- (i) the said "Completion Certificate" in respect of that Existing Ship has been signed, dated and timed by the relevant Contractor and the relevant Original Owner; and
 - (ii) the Agent is satisfied that all the conditions precedent set out in Part 1, Part 2 and (in relation to such Existing Ship and such Facility C Loan) Part 3 of Schedule 3 (*Conditions precedent*) and in clause 4.3 (*Further conditions precedent*), have been (or will be concurrently with such release) satisfied in full or otherwise waived in accordance with the provisions of this Agreement.
- (d) Each of the Borrower and each Original Owner hereby irrevocably and unconditionally undertakes that it shall not give any instructions to a relevant Contractor's Bank in respect of a Pre-placed Loan that are inconsistent with any Irrevocable Instructions in respect of that Pre-placed Loan.
- (e) The Borrower shall immediately prepay a Pre-placed Loan in euro, together with interest thereon (calculated in accordance with clause 10.1 (*Calculation of interest*)), on the date on which the relevant Contractor's Bank is required to return the moneys funded by that Pre-placed Loan to the Agent in accordance with the relevant Irrevocable Instructions (and regardless of whether the relevant Contractor's Bank has then carried out such instructions), provided that any moneys (including interest, if any) actually returned to the Agent from the relevant Contractor's Bank shall, following (if required) conversion by the Agent of any part of it previously converted into USD pursuant to clause 5.3(a) (*Currency and amount*) from USD to euro at the Agent's spot rate of exchange and otherwise at the Borrower's cost and expense, be applied by the Agent in satisfaction of such prepayment obligation of the Borrower and in payment of any amounts payable by the Borrower under clause 9 (*Restrictions*) as a result of such prepayment.
- (f) In case of application of this clause 5.5 in respect of any Pre-placed Loan, each Pre-placed Loan shall accrue interest in accordance with the terms of clause 10.1 (*Calculation of interest*) from the Utilisation Date for that Facility C Loan.
- (g) Any amount prepaid under clause 5.5(e) in respect of a Facility C Loan shall be, subject to the other terms of this Agreement, available to be redrawn by the Borrower where Redelivery of the relevant Existing Ship has been delayed, in assisting the relevant Owner to satisfy its obligations under the relevant Upgrade Contract.

6 Ancillary Facilities

6.1 Type of Facility

- (a) An Ancillary Facility may be by way of a guarantee, bonding, documentary or stand-by letter of credit facility, in connection with the business of the Group and which is agreed by the Borrower with an Ancillary Lender.
- (b) The Lenders (and Ancillary Lenders) shall have the right of first refusal to enter into any a guarantee, bonding, documentary or stand-by letter of credit facility (through Ancillary Facilities) for which any Group Member is considering to enter into such facility for the purpose of procuring the issuance of guarantees, bonds, letters of credit in relation to the trading of the Ships and/or otherwise in connection with the Facilities.

6.2 Availability

- (a) An Ancillary Facility shall not be made available unless, not later than five Business Days prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Borrower:
 - (i) a notice in writing of the establishment of an Ancillary Facility and specifying:

- (A) that the Borrower will be the obligor that may use the Ancillary Facility;
 - (B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;
 - (C) the proposed Ancillary Lender (being a Lender);
 - (D) the proposed Ancillary Commitment and the maximum amount of the Ancillary Facility; and
 - (E) the proposed currency of the Ancillary Facility (if not denominated in euro); and
- (ii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.
- (b) The aggregate of all Ancillary Outstandings under all Ancillary Facilities may not exceed the Total Ancillary Facilities Amount at any time and an Ancillary Facility shall not be made available if it would allow for the Ancillary Outstandings for such Ancillary Facility, taken together with the maximum amount of Ancillary Outstandings allowed under all other Ancillary Facilities, to exceed the Total Ancillary Facilities Amount.
- (c) The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.
- (d) Subject to compliance with paragraph (a) above:
- (i) the Lender concerned will be the Ancillary Lender in respect of the relevant Ancillary Facility; and
 - (ii) the Ancillary Facility will be available,
- with effect from the date agreed by the Borrower and the Ancillary Lender.

6.3 Terms of Ancillary Facilities

- (a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Borrower.
- (b) Those terms:
 - (i) must be based upon normal commercial terms at that time (except as varied by this Agreement);
 - (ii) may allow only the Borrower to use the Ancillary Facility;
 - (iii) may not allow the Ancillary Outstandings for that Ancillary Facility to exceed the Ancillary Commitment for that Ancillary Facility or, taken together with the maximum amount of Ancillary Outstandings allowed under all other Ancillary Facilities, to exceed the Total Ancillary Facilities Amount;
 - (iv) must require that the Ancillary Commitment for that Ancillary Facility is reduced to zero, and that all Ancillary Outstandings for the same are repaid not later than its Final Repayment Date (or such earlier date as the Commitment of the relevant Ancillary Lender (or its Affiliate) is reduced to zero).
- (c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for:

- (i) clause 48.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility;
 - (ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail;
and
 - (iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document, in which case that term of this Agreement shall not prevail.
- (d) Interest, commission and fees on Ancillary Facilities are dealt with in clause 13.5 (*Interest, commission and fees on Ancillary Facilities*).

6.4 Repayment of Ancillary Facility

- (a) An Ancillary Facility shall cease to be available on its Final Repayment Date or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.
- (b) If an Ancillary Facility expires in accordance with its terms, the Ancillary Commitment of the Ancillary Lender shall be reduced to zero and all Ancillary Outstandings shall be repaid in full.
- (c) No Ancillary Lender may demand repayment or prepayment of the Ancillary Outstandings of the relevant Ancillary Facility prior to the expiry date of the relevant Ancillary Facility unless:
 - (i) the Total Commitments have been cancelled in full or all outstanding Loans under the Facilities have become due and payable in accordance with the terms of this Agreement; or
 - (ii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility.

6.5 Limitation on Ancillary Outstandings

The Borrower shall procure the Ancillary Outstandings under any Ancillary Facility shall not exceed:

- (a) the Ancillary Commitment applicable to that Ancillary Facility;
or
- (b) taken, together with the maximum Ancillary Outstandings allowed under all other Ancillary Facilities, the Total Ancillary Facilities Amount.

6.6 Information

The Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the relevant Ancillary Outstandings) as the Agent may reasonably request from time to time. The Borrower consents to all such information being released to the Agent, the other Finance Parties and EIFO.

6.7 Amendments and Waivers – Ancillary Facilities

No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this clause 6). In such a case, clause 51 (*Amendments and Waivers*) will apply.

6.8 Accession of Ancillary Lenders to this Agreement

- (a) A Lender may request that an Affiliate of that Lender becomes an Ancillary Lender under this Agreement by delivering to the Agent a duly executed Ancillary Lender Accession Letter referred to in Schedule 7 (*Form of Ancillary Lender Accession Letter*).
- (b) The relevant Affiliate will become an Ancillary Lender when the Agent enters into the relevant Ancillary Lender Accession Letter referred to in Schedule 7 (*Form of Ancillary Lender Accession Letter*).

Section 4 - Repayment, Prepayment and Cancellation

7 Repayment and reduction

7.1 Repayment and reduction of Facilities

- (a) The Borrower shall repay each Revolving Loan on the last day of its Interest Period.
 - (b) Without prejudice to the Borrower's obligation under paragraph (a) above, if one or more Revolving Loans under a Revolving Facility are to be made available to the Borrower on the same day that a maturing Revolving Loan for that same Revolving Facility is due to be repaid by the Borrower and the proportion borne by each relevant Lender's participation in the maturing Revolving Loan to the amount of that maturing Revolving Loan is the same as the proportion borne by that Lender's participation in the new Revolving Loans to the aggregate amount of those new Revolving Loans, the aggregate amount of the new Revolving Loans shall be treated as if applied in or towards repayment of the maturing Revolving Loan, so that:
 - (i) if the amount of the maturing Revolving Loan exceeds the aggregate amount of the new Revolving Loans:
 - (A) the Borrower will only be required to make a payment under clause 45.1 (*Payments to the Agent*) in an amount equal to that excess; and
 - (B) each relevant Lender's participation in the new Revolving Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Revolving Loan and that Lender will not be required to make a payment under clause 45.1 (*Payments to the Agent*) in respect of its participation in the new Revolving Loans; and
 - (ii) if the amount of the maturing Revolving Loan is equal to or less than the aggregate amount of the new Revolving Loans:
 - (A) the Borrower will not be required to make a payment under clause 45.1 (*Payments to the Agent*); and
 - (B) each relevant Lender will be required to make a payment under clause 45.1 (*Payments to the Agent*) in respect of its participation in the new Revolving Loans only to the extent that its participation in the new Revolving Loans exceeds that Lender's participation in the maturing Revolving Loan and the remainder of that Lender's participation in the new Revolving Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Revolving Loan.
 - (c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Revolving Loans then outstanding will be automatically extended to the Final Repayment Date for each relevant Facility and will be treated as separate Loans (the **Separate Loans**).
 - (d) The Borrower may prepay the Separate Loans by giving not less than ten Business Days' prior notice to the Agent. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (d) to the Defaulting Lender concerned as soon as practicable on receipt.
 - (e) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Borrower by the time and date specified by the Agent (acting reasonably) and will be
-

payable by the Borrower to the Agent (for the account of that Defaulting Lender) on the last day of each such Interest Period.

- (f) The terms of this Agreement relating to Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (e) above, in which case those paragraphs shall prevail in respect of any Separate Loan.
- (g) To the extent not previously reduced, the Total Facility A Commitments shall be cancelled and reduced to zero on the Final Repayment Date for Facility A and on that day the Borrower shall repay all Facility A Loans in full.
- (h) To the extent not previously reduced, the Total Facility B Commitments shall be cancelled and reduced to zero on the Final Repayment Date for Facility B and on that day the Borrower shall repay all Facility B Loans in full.
- (i) Subject to clause 8.12 (*No refinancing or extension of Facility A*), the Borrower shall, on each Repayment Date for a Facility C Loan, repay such part of such Facility C Loan as is required to be repaid on that Repayment Date by clause 7.2 (*Scheduled repayment of Facility C*).
- (j) The Borrower may not reborrow any part of a Facility C Loan which has been repaid.

7.2 Scheduled repayment of Facility C

- (a) To the extent not previously reduced and subject to clause 8.12 (*No refinancing or extension of Facility A*), each Facility C Loan shall be repaid by instalments on each Repayment Date in respect of the relevant Facility C Loan by the amount specified in Schedule 6 (*Schedule of Repayment Amounts*) (as revised by clause 7.3 (*Adjustment of scheduled repayments*)) which shall apply to a Facility C Loan on the assumption that such Facility C Loan has 33 Repayment Dates. If a Facility C Loan has fewer than 33 Repayment Dates, the amount of each of its repayment instalments falling on each Repayment Date shall be increased pro rata.
- (b) On the Final Repayment Date for a Facility C Loan (without prejudice to any other provision of this Agreement) that Facility C Ship Commitment shall be reduced to zero and that Facility C Loan shall be repaid in full.
- (c) If, on its Utilisation Date, a Facility C Loan is less than the respective Facility C Ship Commitment or if a Facility C Loan has fewer than 33 Repayment Dates as contemplated by paragraph (a) above, the Agent shall prepare a Replacement Schedule of Repayment Amounts as soon as possible, however no later than ten (10) Business Days following that Utilisation Date reflecting the actual amount of the relevant Facility C Loan and such Replacement Schedule of Repayment Amounts shall (in the absence of manifest error) replace the Original Schedule of Repayment Amounts and shall be the Schedule of Repayment Amounts for that Facility C Loan for all purposes of this Agreement. The Agent shall notify all other Parties of such recalculation and provide to them a copy of the Replacement Schedule of Repayment Amounts.

7.3 Adjustment of scheduled repayments

If the Facility C Ship Commitment for an Existing Ship has been partially reduced under this Agreement and/or any part of the relevant Facility C Loan is prepaid (other than under clause 7.2 (*Scheduled repayment of Facility C*)) before any Repayment Date in respect of the relevant Facility C Loan then the amount of the instalment by which the relevant Facility C Loan shall be repaid under clause 7.2 (*Scheduled repayment of Facility C*) on any such Repayment Date for that Facility C Loan (as reduced by any earlier operation of this clause 7.3) shall be reduced pro rata to such reduction in the relevant Facility C Ship Commitment and/or prepayment of the relevant Facility C Loan.

7.4 Consolidation of Repayment Dates

Following the Utilisation of both Facility C Loans and before the First Repayment Date in respect of Facility C, the Repayment Dates in respect of each Facility C Loan shall be adjusted in a manner in all respects acceptable to all the Facility C Lenders, such that following such adjustments, to the extent possible, there are common Repayment Dates for both Facility C Loans, provided always that no Repayment Date (or Final Repayment Date) shall be extended. The Borrower shall procure that any amendments to this Agreement or any other Finance Document required by the Majority Lenders relating to such adjustments to the Repayment Dates are entered into by the Obligors at the cost of the Borrower and the Borrower shall deliver to the Agent such documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in connection with any such documents as the Agent may require, in each case.

8 Illegality, prepayment and cancellation

8.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful for a Lender to perform any of its obligations as contemplated by this Agreement or any of the other Finance Documents, or for any Lender to fund or maintain its participation in any Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, the Available Commitment of that Lender will be immediately cancelled, the Total Commitments and each relevant Available Facility shall be reduced correspondingly and, to the extent that Lender has a Facility C Commitment, the remaining undrawn Facility C Ship Commitments shall each be reduced rateably; and
- (c) to the extent that the Lender's participation has not been assigned pursuant to clause 8.7(*Replacement of Lender*), the Borrower shall repay that Lender's participation in the Loans on the last day of the Interest Period for each of those Loans occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation repaid.

8.2 Change of control

- (a) The Borrower shall promptly notify the Agent upon any Obligor becoming aware of a Change of Control occurring.
- (b) If a Change of Control occurs:
 - (i) a Lender shall not be obliged to fund a Loan; and
 - (ii) if a Lender so requires and notifies the Agent within 14 days of the Borrower notifying the Agent of the Change of Control, the Agent shall, by not less than 60 days' notice to the Borrower, cancel the Available Commitment of that Lender and declare the participation of that Lender in all Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents, immediately due and payable on such date, whereupon with effect from such date such Available Commitment will be immediately cancelled, the Total Commitments and each relevant Available Facility shall be reduced correspondingly and, to the extent that Lender has a Facility C Commitment, the remaining undrawn Facility C Ship Commitments shall each be reduced rateably, the Commitment of that Lender shall immediately cease to be available for further utilisation and the participation of that Lender in all the Loans, accrued interest and other amounts shall become immediately due and payable.

8.3 Voluntary cancellation

- (a) Subject to the other provisions of this clause 8.3, the Borrower may, if they give the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, cancel the whole or any part (being a minimum amount of €1,000,000 and a multiple of €100,000) of Facility A, Facility B or Facility C (or a combination of Facilities) which is undrawn at the proposed date of cancellation, such cancellation being applied, at the Borrower's option, to reduce one or more Total Facility Commitments and/or one or more Facility C Ship Commitments **provided that** the Borrower shall only be entitled to cancel the whole or any part of a Revolving Facility if the amount of the Active Revolving Facilities will be at least equal to or higher than the aggregate amount of the Loans outstanding under Facility C and the Available Facility C Facility immediately following such cancellation.
- (b) The Borrower shall not cancel any part of Facility A or Facility C pursuant to paragraph (a) above, unless on or before such cancellation the Total Facility B Commitments have been reduced to zero.
- (c) Subject to paragraph (b) above, the Borrower shall not cancel any part of Facility A pursuant to paragraph (a) above, unless (i) where the Total Facility A Commitments are equal to or less than the Total Facility C Commitments, it also makes a pro rata cancellation of Facility C, (ii) where the Total Facility A Commitments are greater than the Total Facility C Commitments, such cancellation does not result in the Total Facility A Commitments being less than the Total Facility C Commitments or (iii) on or before such cancellation the Total Facility C Commitments have been reduced to zero.
- (d) Subject to paragraphs (b) and (c) above, the Borrower shall not cancel any part of Facility C pursuant to paragraph (a) above, unless (i) where the Total Facility C Commitments are equal to or greater than the Total Facility A Commitments, it also makes a pro rata cancellation of Facility A or (ii) on or before such cancellation the Total Facility A Commitments have been reduced to zero.
- (e) The Borrower shall be entitled to cancel the whole or any part of an Active Revolving Facility which is then drawn, only if the Borrower prepays such amount of the Revolving Loans under the relevant Revolving Facility as may be necessary to ensure that the outstanding Revolving Loans under such Revolving Facility after such cancellation will not exceed that Active Revolving Facility (as so reduced by this clause 8.3).
- (f) Any cancellation under this clause 8.3 shall reduce the Total Commitments by the same amount and the Commitments of the Lenders rateably.

8.4 Voluntary prepayment

Subject to any other provisions of this Agreement regarding cancellation of any Commitments, the Borrower may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, prepay the whole or any part of a Loan (but if in part, being an amount that reduces the amount of that Loan by a minimum amount of €1,000,000 and is a multiple of €100,000), on the last day of an Interest Period in respect of the amount to be prepaid (or any other date subject to payment of any Break Costs).

8.5 Right of cancellation and prepayment in relation to a single Lender

- (a) If:
 - (i) any sum payable to any Lender by an Obligor is required to be increased under clause 14.2(*Tax gross-up*);
 - or
 - (ii) any Lender claims indemnification from the Borrower under clause 14.3(*Tax indemnity*) or clause 15.1 (*Increased costs*),

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of

that Lender and their intention to procure the repayment of that Lender's participation in the Loans.

- (b) On receipt of a notice referred to in paragraph (a) above, the Available Commitment of that Lender shall immediately be reduced to zero, the Total Commitments and each relevant Available Facility shall be reduced correspondingly and, to the extent that Lender has a Facility C Commitment, the remaining undrawn Facility C Ship Commitments shall each be reduced rateably. The Agent shall as soon as practicable after receipt of a notice referred to in clause 8.5(a) above, notify all the Lenders.
- (c) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loans together with all interest and other amounts accrued under the Finance Documents which is then owing to it and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participations repaid.

8.6 Right of cancellation in relation to a Defaulting Lender

- (a) If any Lender becomes a Defaulting Lender, the Borrower may, at any time whilst the Lender continues to be a Defaulting Lender give the Agent 10 Business Days' notice of cancellation of the Available Commitment of that Lender.
- (b) On such notice becoming effective, the Available Commitment of the Defaulting Lender shall immediately be reduced to zero, the Total Commitments and each relevant Available Facility shall be reduced correspondingly and, to the extent that Lender has a Facility C Commitment, the remaining undrawn Facility C Ship Commitments shall each be reduced rateably and the Agent shall as soon as practicable after receipt of such notice, notify all the Lenders.

8.7 Replacement of Lender

- (a) If:
 - (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below);
or
 - (ii) the Borrower becomes obliged to repay any amount in accordance with clause 8.1(*Illegality*) to any Lender;
or
 - (iii) any of the circumstances set out in paragraph (a) of clause 8.5(*Right of cancellation and prepayment in relation to a single Lender*) apply to a Lender,

the Borrower may, on 10 Business Days' prior notice to the Agent and that Lender, replace such Lender by requiring such Lender to assign (and, to the extent permitted by law, such Lender shall assign) pursuant to clause 35 (*Changes to the Lenders*) all (and not part only) of its rights under this Agreement (and any Security Document to which such Lender is a party in its capacity as a Lender) to an Eligible Institution (a **Replacement Lender**) which confirms its willingness to assume and does assume all the obligations of the assigning Lender in accordance with clause 35 (*Changes to the Lenders*) for a purchase price in cash payable at the time of the assignment in an amount equal to the aggregate of:

- (A) the outstanding principal amount of such Lender's participation in each Loan;
- (B) all accrued interest owing to such Lender;
- (C) the Break Costs which would have been payable to such Lender pursuant to clause 12.6(*Break Costs*) had the Borrower prepaid in full that Lender's participation in each Loan on the date of the assignment; and

- (D) all other amounts payable to that Lender under the Finance Documents on the date of the assignment.
- (b) The replacement of a Lender pursuant to this clause 8.7 shall be subject to the following conditions:
- (i) the Borrower shall have no right to replace the Agent or the Security Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a Replacement Lender;
 - (iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 30 Business Days after the date on which that Lender is deemed a Non-Consenting Lender;
 - (iv) in no event shall the Lender replaced under this clause 8.7 be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents;
 - (v) the new Lender shall, where the Lender being replaced is a Facility C Lender, be approved by EIFO and be substituted in the EIFO Guarantee Policy by way of endorsement to the EIFO Guarantee Policy;
 - (vi) the Lender shall only be obliged to assign its rights pursuant to paragraph (a) above once each of such Lender and the Agent are satisfied that each has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that assignment; and
 - (vii) the Borrower shall procure that if the Lender replaced (or its Affiliate) is also a Hedging Provider, the replaced Lender shall use reasonable endeavours to procure that the Replacement Lender (or its Affiliate) at the same time enters into an agreement with that Hedging Provider (who is also the replaced Lender or its Affiliate) pursuant to which that Hedging Provider, at the same time as the replacement of the relevant Lender becomes effective, assigns and transfers to such Replacement Lender (in its capacity as Hedging Provider) or its Affiliate all of its rights and obligations under all Hedging Contracts and the Hedging Master Agreement to which it is a party, pursuant to the provisions of paragraph (c) of clause 35.2 (*Borrower consultation; EIFO approval; Hedging Providers*).
- (c) Each of the Lender and the Agent shall perform the checks described in paragraph (b)(vi) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and the relevant Lender shall notify the Agent when it is satisfied (and the Agent shall notify the Borrower when each of that Lender and the Agent is satisfied) that it has complied with those checks.
- (d) In the event that:
- (i) the Borrower or the Agent (at the request of the Borrower) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
 - (ii) the consent, waiver or amendment in question requires the approval of all the Lenders;
and
 - (iii) the Majority Lenders have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a **Non-Consenting Lender**.

**8.8 Sale or Total
Loss**

- (a) On a Mortgaged Ship's Disposal Repayment Date (unless such Mortgaged Ship is an Existing Ship):
- (i) subject to paragraph (ii) below:
 - (A) the Total Commitments will be reduced by the amount which is equal to the Applicable Fraction of the Total Commitments and each Total Facility Commitment shall be reduced rateably; and
 - (B) the Borrower shall prepay such amount of the Loans under each Facility as may be necessary to ensure that the outstanding Loans under each Facility after such date will not exceed the Total Facility Commitments (as so reduced); or
 - (ii) where an Event of Default is continuing or where the Security Value was less than the Minimum Value immediately prior to a Ship being sold or becoming a Total Loss or would be less than the Minimum Value following such sale or Total Loss (without taking into account the value of the relevant Ship lost or sold), paragraph (i) above shall not apply and on a Mortgaged Ship's Disposal Repayment Date:
 - (A) the aggregate of the Total Commitments and the Ancillary Commitments under all Ancillary Facilities will be reduced by the amount which is equal to the Applicable Fraction of the aggregate of the Total Commitments and the Ancillary Commitments under all Ancillary Facilities and each Total Facility Commitment and Ancillary Commitment shall be reduced rateably; and
 - (B) the Borrower shall prepay such amount of the Loans under each Facility and the Ancillary Outstandings under each Ancillary Facility as may be necessary to ensure that the outstanding Loans under each Facility and the Ancillary Outstandings under each Ancillary Facility after such date will not exceed the Total Facility Commitments or the Ancillary Commitments respectively (each as so reduced).
- (b) If such Mortgaged Ship is an Existing Ship:
- (i) on such Mortgaged Ship's Disposal Repayment Date, first:
 - (A) the Facility C Ship Commitment for that Existing Ship will be cancelled and the Total Commitments will be reduced correspondingly; and
 - (B) the Borrower shall prepay the Facility C Loan for that Existing Ship in full; and
 - (ii) secondly, in addition to the cancellation and prepayment made pursuant to paragraph (b)(i) above, paragraph (a) above shall apply and at the same time the Total Commitments shall be further reduced and the Borrower shall further prepay additional amounts of the Loans, in each case as may be required to comply with paragraphs (a)(i) and (ii) above (but taking into account for such purpose the amounts cancelled and prepaid under paragraph (b)(i) above).
- (c) For the purposes of this clause 8.8, **Applicable Fraction** means a fraction having a numerator equal to the market value of the Mortgaged Ship sold or which has become a Total Loss (and where such Mortgaged Ship has become a Total Loss, its value prior to becoming a Total Loss shall be used) and a denominator equal to the market value of all the Mortgaged Ships, in each case as such market value is last determined in accordance with clause 28 (*Minimum Security Value*).

8.9 Automatic cancellation

Any part of the Total Commitments relating to a Facility which has not become available by the Last Availability Date applicable to it shall be automatically cancelled at close of business in London on the Last Availability Date applicable to it.

8.10 Termination of the EIFO Guarantee Policy

If at any time during the Facility Period:

- (a) any of the obligations of EIFO under the EIFO Guarantee Policy are terminated, cancelled, become invalid, non-binding, unenforceable or otherwise cease to be in full force and effect; or
- (b) it becomes unlawful or impossible for EIFO to fulfil any of the obligations expressed to be assumed by it in the EIFO Guarantee Policy or for the Agent or the EIFO Agent or a Facility C Lender to exercise the rights or any of them vested in it under the EIFO Guarantee Policy; or
- (c) EIFO has stated its intention to, repudiate, terminate, cancel or suspend the application of the EIFO Guarantee Policy,

then as of the time such event occurs:

- (i) no Facility C Lender shall be obliged to fund any Facility C Loan;
- (ii) the Facility C Ship Commitment for each Existing Ship shall be automatically cancelled; and
- (iii) the Facility C Loans together with accrued interest and all other sums payable under this Agreement and any other Finance Document shall be immediately due and payable.

8.11 Loans in Excess of Contracted Cash Flows

If at any time the aggregate of the outstanding Loans exceed an amount which is equal to eighty per cent (80%) of the Contracted Cash Flows (based on the latest Contracted Cash Flows Certificate provided pursuant to clause 21.4(d) (*Provision and contents of Compliance Certificate and Contracted Cash Flows Certificate*)), being the **Contracted Cash Flows Limit**, the Borrower shall, within five Business Days of delivery of such Contracted Cash Flows Certificate to the Agent, prepay outstanding Loans under the Facilities in an amount as would eliminate the excess of the relevant Contracted Cash Flows Limit, such prepayment to be made in the following order:

- (a) Loans under Facility A and Facility B (rateably between them); and
- (b) where there are no Loans outstanding under Facility A or Facility B, the Facility C Loans (rateably between them).

8.12 No refinancing or extension of Facility A

- (a) In the event that (i) the Borrower has not refinanced Facility A in full by persons other than a Group Member or a Borrower Affiliate, and (ii) the Lenders with Facility A Commitments have not agreed to extend the Final Repayment Date for Facility A until not earlier than the latest Final Repayment Date for Facility C, in each case by the date falling 90 days before the Final Repayment Date of Facility A and on terms reasonably satisfactory to the Facility C Lenders and EIFO, the Agent shall (if directed to do so by any of the Facility C Lenders or by EIFO) require the Borrower to prepay Facility C in full by serving a written notice on the Borrower instructing the same.
- (b) The Borrower shall, within five Business Days of receipt of a notice pursuant to paragraph (a) above, prepay the outstanding Loans under Facility C in full.

8.13 Cancellation of Revolving Facilities

If, as a result of any prepayment and/or cancellation required under clause 8.1 (*Illegality*), clause 8.2 (*Change of control*), clause 8.5 (*Right of cancellation and prepayment in relation to a single Lender*) or clause 8.6 (*Right of cancellation in relation to a Defaulting Lender*) or any other provision of this Agreement, the amount of the Active Revolving Facilities will be lower than the aggregate amount of the Loans outstanding under Facility C and the Available Facility C Facility, the Borrower shall, simultaneously with the relevant prepayment or cancellation in accordance with clause 8.1 (*Illegality*), clause 8.2 (*Change of control*), clause 8.5 (*Right of cancellation and prepayment in relation to a single Lender*) or clause 8.6 (*Right of cancellation in relation to a Defaulting Lender*) or any other relevant provision of this Agreement, additionally prepay such amount of the Facility C Loans and/or cancel such amount of the Available Facility C Facility as may be necessary to ensure that the aggregate outstanding Facility C Loans and the Available Facility C Facility after such date will not exceed the amount of the Active Revolving Facilities (as so reduced).

8.14 Release

(a) Subject to paragraph (b) below, following a cancellation and prepayment under clause 8.8 (*Sale or Total Loss*) in respect of a Ship lost or sold and subject to any other cancellations and prepayments required by clause 8.8 (*Sale or Total Loss*) having been made, and further subject to:

- (i) the concurrent prepayment by the Obligors of such portion of the Ancillary Outstandings as required by any Ancillary Lender pursuant to the terms of any Ancillary Document (as evidenced to the Agent in a manner satisfactory to it by written confirmation of the relevant Ancillary Lenders);
- (ii) the concurrent prepayment and/or settlement by the Borrower of such amounts under any Hedging Contract and the closing out of such Hedging Transactions by the Borrower as required by any Hedging Provider pursuant to the terms of any Hedging Contract (as evidenced to the Agent in a manner satisfactory to it by written confirmation of the relevant Hedging Providers); and
- (iii) the Security Value being equal to or higher than the Minimum Value following such prepayment without taking into account the value of the relevant Ship lost or sold,

then the Finance Parties agree to release the Mortgage of such Ship and the other security over or in respect of such Mortgaged Ship pursuant to a deed of release in such form acceptable to the Majority Lenders, after such prepayment and cancellation pursuant to clause 8.8 (*Sale or Total Loss*) and at the cost and expense of the Borrower, provided that no Event of Default exists at the time of or would result from such release and that, immediately after such release, the Security Value shall continue to be equal to or higher than the Minimum Value.

- (b) In the event that a prepayment pursuant to paragraph (a) above is in respect of the last remaining Mortgaged Ship under this Agreement, any release pursuant to paragraph (a) above shall be subject to the Borrower repaying all other amounts (not covered in paragraph (a) above) owing pursuant to the Finance Documents, including the prepayment and/or settlement of such amounts under any Ancillary Document and Hedging Contract and the closing out of such Hedging Transactions by the Obligors as required by any Hedging Provider pursuant to the terms of any Hedging Contract (as evidenced to the Agent in a manner satisfactory to it by written confirmation of the relevant Ancillary Lenders and Hedging Providers (as applicable)).
- (c) The Borrower shall give each Ancillary Lender and each Hedging Provider not less than five Business Days' notice of a prepayment falling under paragraph (a) above and the intended release of security in respect of a Mortgaged Ship pursuant to paragraph (a) above.

9 Restrictions

9.1 Notices of cancellation and prepayment

Any notice of cancellation or prepayment given by any Party under clause 8 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment and, the relevant Facility, Loan or if applicable Facility C Ship Commitment to be cancelled or prepaid (as the case may be).

9.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

9.3 Reborrowing

- (a) Unless a contrary indication appears in this Agreement, any part of a Revolving Loan which is prepaid or repaid may be re-borrowed under the same Revolving Facility in accordance with the terms of this Agreement.
- (b) The Borrower may not re-borrow any part of any Facility C Loan which is prepaid or repaid (except as otherwise permitted by clause 5.5(g) (*Pre-placement of Facility C Loans*)).

9.4 Prepayment in accordance with Agreement

The Borrower shall not repay or prepay all or any part of a Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

9.5 No reinstatement of Commitments

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

9.6 Agent's receipt of notices

If the Agent receives a notice under clause 8 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.

9.7 Effect of repayment and prepayment on Commitments

If all or part of any Lender's participation in Facility C is repaid or prepaid, an amount of that Lender's Commitment in respect of Facility C equal to the amount of the participation which is repaid or prepaid will be deemed to be cancelled on the date of repayment or prepayment.

9.8 Application of cancellations

If any Total Facility Commitment is partially reduced and/or the relevant Loans thereunder are partially prepaid under this Agreement (other than under clause 8.1 (*Illegality*), clause 8.2 (*Change of control*) and clause 8.5 (*Right of cancellation and prepayment in relation to a single Lender*)) and, in the case of Facility C, under clause 8.13 (*Cancellation of Revolving Facilities*), the Commitments of the Lenders under such Total Facility Commitment shall be reduced rateably and, if that Facility is Facility C, the Facility C Ship Commitments shall be reduced rateably (other than in relation to a cancellation of all of the Facility C Ship Commitment for an Existing Ship).

9.9 Application of prepayments

- (a) Any prepayment required as a result of a cancellation in full of an individual Lender's Commitment under clause 8.1 (*Illegality*), clause 8.2 (*Change of control*) or clause 8.5 (*Right*

of cancellation and prepayment in relation to a single Lender) shall be applied in prepaying the relevant Lender's participation in each of the Loans under all Facilities.

- (b) If a Revolving Loan under a Revolving Facility is partially prepaid (other than as per paragraph (a) above), the amount prepaid shall be applied pro rata to the participation of all the relevant Lenders in such Revolving Loan.
- (c) If a Facility C Loan under Facility C is partially prepaid (other than as per paragraph (a) above), the amount prepaid shall be applied pro rata to the participation of all the Facility C Lenders in such Facility C Loan.

9.10 Removal of Finance Parties from security

Upon cancellation and prepayment in full of an individual Lender's Commitment under clause 8.1(*Illegality*), clause 8.2(*Change of control*) or clause 8.5 (*Right of cancellation and prepayment in relation to a single Lender*)

- (a) that Lender and the other Parties must promptly take (and the Borrower shall ensure that any other relevant Obligor promptly takes) whatever action the Agent may, in its reasonable opinion, deem necessary or desirable for the purpose of removing that Lender as a party to and beneficiary of any Security Documents granted in favour of (among others) the Lenders or as an insured, assured or beneficiary of or under the EIFO Guarantee Policy; and
- (b) if that Lender (or its Affiliate) is also a Hedging Provider, following the corresponding prepayment and/or settlement in full of the amounts outstanding under any Hedging Contract entered into with that Hedging Provider and the termination and close out of all Hedging Transactions with that Hedging Provider by the Borrower (if applicable) pursuant to clause 34.4(b)(iv) (*Close out of Hedging Contracts*), that Hedging Provider and the other Parties must promptly take (and the Borrower shall ensure that any other relevant Obligor promptly takes) whatever action the Agent may, in its reasonable opinion, deem necessary or desirable for the purpose of removing that Hedging Provider as a party to and beneficiary of any Security Documents granted in favour of (among others) the Hedging Providers.

Section 5 - Costs of Utilisation

10 Interest

10.1 Calculation of interest

The rate of interest on each Loan (or any relevant part of it for which there is a separate Interest Period) for each Interest Period for the relevant Loan is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) EURIBOR for the relevant Interest Period.

10.2 Green Loan Margin Adjustment

- (a) Subject to clause 23.17 (*Declassification Event*) and the other paragraphs of this clause 10.2, following the receipt by the Agent of a Pre-Utilisation Green Loan Compliance Certificate under paragraph (b) below and the Green Loan Compliance Certificate in accordance with clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*), the Margin applicable to each Loan shall be re-determined as follows (the **Green Loan Margin Adjustment**):
 - (i) if pursuant to the Green Loan Compliance Certificate the Borrower is in compliance with the Green Loan Criteria, the Margin applicable to each Facility shall be such Margin as described in paragraph (a) of the definition of "Margin" in clause 1.1 (*Definitions*), reduced by 0.10 per cent per annum (in the case of Facility A and Facility B) and reduced by 0.05 per cent per annum (in the case of Facility C); or
 - (ii) if pursuant to the Green Loan Compliance Certificate the Borrower is not in compliance with the Green Loan Criteria, the Margin applicable to each Facility shall be the Margin described in paragraph (a) of the definition of "Margin" in clause 1.1 (*Definitions*);
- (b) At any time prior to the submission of the first Green Loan Compliance Certificate under clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*), the Borrower may deliver a Pre-Utilisation Green Loan Compliance Certificate. In that case, any Green Loan Margin Adjustment shall take effect:
 - (i) for the purposes of calculating Margin for a Loan, from the first day of the next Interest Period for the relevant Loan until the earlier of (A) the end of the Interest Period for that Loan immediately following a Declassification Event and (B) the date when the first Green Loan Margin Adjustment is to be made in respect of such Loan due to the submission of a Green Loan Compliance Certificate under clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*); and
 - (ii) for the purposes of calculating the commitment fee pursuant to clause 13.1 (*Commitment fee*) in respect of the Commitments relating to any Facility, from the date of its submission (if submission is on the date of this Agreement) or from the first day falling after the next due date of commitment fee under such clause 13.1 (*Commitment fee*) following its submission (if submission is made after the date of this Agreement), until the earlier of (A) the end of the first Interest Period for any Loan under the relevant Facility falling immediately following a Declassification Event and (B) the date when the first Green Loan Margin Adjustment is to be made in respect of any Loan under such Facility due to the submission of a Green Loan Compliance Certificate under clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*).

- (c) Where a Green Loan Compliance Certificate (other than a Pre-Utilisation Green Loan Compliance Certificate) is received in respect of a financial year (a **Relevant Year**), any Green Loan Margin Adjustment in respect of the Margin for a Loan shall take effect on the first day of the next Interest Period for that Loan which falls within the next financial year after the Relevant Year and shall apply until the end of the Interest Period immediately following the earlier of (i) a Declassification Event and (ii) another Green Loan Margin Adjustment pursuant to this clause 10.2.
- (d) Excluding any Pre-Utilisation Green Loan Compliance Certificate, only one Green Loan Compliance Certificate may be delivered in respect of each financial year.
- (e) If a revised Green Loan Compliance Certificate is received by the Agent pursuant to clause 21.17 (*Green Loan Compliance Certificate Inaccuracy*), any Green Loan Margin Adjustment which was applied to the Margin for each Loan during a financial year shall:
 - (i) be recalculated in accordance with the revised Green Loan Compliance Certificate;
and
 - (ii) take effect on the first day of the next Interest Period for that Loan which falls within the same financial year and shall apply until the end of the Interest Period for that Loan immediately following the earlier of (i) a Declassification Event and (ii) another Green Loan Margin Adjustment pursuant to this clause 10.2; save that where the relevant Green Loan Compliance Certificate Inaccuracy relates to a Pre-Utilisation Green Loan Compliance Certificate, such recalculation shall take effect:
 - (A) for the purposes of calculating Margin for a Loan, from the first day of the next Interest Period for the relevant Loan, until the earlier of (A) the end of the Interest Period for that Loan immediately following a Declassification Event and (B) the date when the first Green Loan Margin Adjustment is to be made in respect of such Loan due to the submission of a Green Loan Compliance Certificate under 21.16 (*Green Loan Compliance Certificate and Green Loan Report*); and
 - (B) for the purposes of calculating the commitment fee pursuant to clause 13.1 (*Commitment fee*) in respect of a Facility, from the first day falling after the next due date of commitment fee under such clause 13.1 (*Commitment fee*) following its submission, until the earlier of (A) the end of the first Interest Period for any Loan under the relevant Facility falling immediately following a Declassification Event and (B) the date when the first Green Loan Margin Adjustment is to be made in respect of such Facility due to the submission of a Green Loan Compliance Certificate under clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*).
- (f) If a revised Green Loan Compliance Certificate received by the Agent pursuant to clause 21.17 (*Green Loan Compliance Certificate Inaccuracy*) shows that a higher Margin or commitment fee pursuant to clause 13.1 (*Commitment fee*) should have applied during a certain period, then the Borrower shall promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been had the appropriate rate of the Margin and commitment fee applied during that period.

10.3 Payment of interest

The Borrower shall pay accrued interest on each Loan (or any relevant part of it) on the last day of each Interest Period for that Loan (or the relevant part of it) (and, if an Interest Period is longer than 3 Months, on the dates falling at 3 Monthly intervals after the first day of that Interest Period).

10.4 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document (other than a Hedging Contract) to a Finance Party on its due date, interest shall accrue on the overdue

amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (c) below, is 2.00 per cent per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan of the Facility to which it relates for successive Interest Periods, each of a duration selected by the Agent (acting reasonably).

- (b) Any interest accruing under this clause 10.4 shall be immediately payable by the Obligor on demand by the Agent.
- (c) If any overdue amount consists of all or part of a Loan (or any relevant part of it) which became due on a day which was not the last day of an Interest Period relating to that Loan or the relevant part of it:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan or the relevant part of it; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2.00 per cent per annum higher than the rate which would have applied if the overdue amount had not become due.
- (d) Default interest payable under this clause 10.4 (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.5 Notification of rates of interest

- (a) The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.
- (b) The Agent shall promptly notify the Borrower of each Funding Rate relating to each Loan (or any relevant part of it).

11 Interest Periods

11.1 Selection of Interest Periods

- (a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan and (in relation to a Facility C Loan, after such Facility C Loan has been borrowed) may select an Interest Period for the relevant Facility C Loan in a Selection Notice.
- (b) Each Selection Notice is irrevocable and must be delivered to the Agent by the Borrower not later than 11:00 a.m. four Business Days before the last day of the then current Interest Period for the relevant Facility C Loan.
- (c) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with the above paragraph, the relevant Interest Period will, subject to clause 11.2 (*Interest Periods overriding Repayment Dates*), be 3 Month(s).
- (d) Subject to this clause 11, the Borrower may select an Interest Period of three Months in respect of a Loan under a Facility or any other period agreed between the Borrower, the Agent and all the Lenders of the relevant Facility.
- (e) No Interest Period for a Loan under a Facility shall extend beyond the Final Repayment Date for that Facility.
- (f) The Interest Period for a Revolving Loan shall start on its Utilisation Date. A Revolving Loan has one Interest Period only.

- (g) The first Interest Period for a Facility C Loan shall start on its Utilisation Date and each subsequent Interest Period for that Facility C Loan shall start on the last day of its preceding Interest Period.

11.2 Interest Periods overrunning Repayment Dates

If the Borrower selects an Interest Period for a Facility C Loan which would overrun any later Repayment Date for that Facility C Loan, that Facility C Loan shall be divided into parts corresponding to the amounts by which that Facility C Loan is scheduled to be repaid under clause 7.2 (*Scheduled repayment of Facility C*) on each of the Repayment Dates for that Facility C Loan falling during such Interest Period (each of which shall have a separate Interest Period ending on the relevant Repayment Date for that Facility C Loan) and to the balance of that Facility C Loan (which shall have the Interest Period selected by the Borrower).

11.3 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

12 Changes to the calculation of interest

12.1 Unavailability of Screen Rate

- (a) *Interpolated Screen Rate*: If no Screen Rate is available for EURIBOR for an Interest Period, EURIBOR shall be the Interpolated Screen Rate for a period equal in length to that Interest Period.
- (b) *Reference Bank Rate*: If no Screen Rate is available for EURIBOR for:
- (i) euro;
or
 - (ii) the relevant Interest Period and it is not possible to calculate the Interpolated Screen Rate,

EURIBOR shall be the Reference Bank Rate as of 11.30 a.m. (Brussels time) on the relevant Quotation Day and for a period equal in length to the relevant Interest Period.

- (c) *Cost of funds*: If paragraph (b) above applies but no Reference Bank Rate is available for euro or the relevant Interest Period, there shall be no EURIBOR for that Interest Period and clause 12.4 (*Cost of funds*) shall apply for that Interest Period.

12.2 Calculation of Reference Bank Rate

- (a) Subject to paragraph (b) below, if EURIBOR for an Interest Period is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by 11.30 a.m. (Brussels time) on the relevant Quotation Day, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.
- (b) If at or about 11.30 a.m. (Brussels time) on the relevant Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for that Interest Period.

12.3 Market disruption

If before close of business in London on the Quotation Day for an Interest Period for a Loan under a Facility (or any part of it) either (i) EURIBOR is unavailable or (ii) the Agent receives notifications from a Lender or Lenders (whose aggregate participations in all Loans under the same Facility exceed 50 per cent. of all Loans under the same Facility) that the cost to it of funding its

participation in the relevant Loan or relevant part of it from whatever source it may reasonably select would be in excess of EURIBOR then clause 12.4 (*Cost of funds*) shall apply to the relevant Loan or relevant part of it for the relevant Interest Period.

12.4 Cost of funds

- (a) If this clause 12.4 applies, the rate of interest on each Lender's share of the relevant Loan or relevant part of it for the Interest Period shall be the percentage rate per annum which is the sum of:
- (i) the Margin;
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event within ten Business Days of the first day of that Interest Period (or, if earlier, on the date falling ten Business Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in the relevant Loan or relevant part of it from whatever source it may reasonably select.
- (b) If this clause 12.4 applies and the Agent or the Borrower so require, the Agent and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders, EIFO and the Borrower, be binding on all Parties.
- (d) If this clause 12.4 applies pursuant to clause 12.3 (*Market disruption*) and:
- (i) a Lender's Funding Rate is less than EURIBOR;
 - or
 - (ii) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,
- the cost to that Lender of funding its participation in the relevant Loan or relevant part of it for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be EURIBOR.
- (e) If this clause 12.4 applies pursuant to clause 12.1 (*Unavailability of Screen Rate*) but any Lender does not supply a quotation by the time specified in paragraph (a)(ii) above the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders.

12.5 Notification to Borrower

If clause 12.4 (*Cost of funds*) applies, the Agent shall, as soon as is practicable, notify the Borrower.

12.6 Break Costs

- (a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of any Loan (or any relevant part of it) or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan (or any relevant part of it) or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate to the Borrower and the Agent confirming the amount of its Break Costs for any Interest Period in which they accrue.

13 Fees

13.1 Commitment fee

- (a) The Borrower shall pay to the Agent (for the account of each Lender) a fee in euro computed at the rate per annum equal to 40% of the applicable Margin (taking into account any Green Loan Margin Adjustment) on that Lender's Available Commitment, calculated on a daily basis from the date of this Agreement.
- (b) The Borrower shall pay the accrued commitment fee on the last day of the period of three Months commencing on the date of this Agreement, on the last day of each successive period of three Months thereafter, on the Last Availability Date in respect of each Facility and, if a Facility is cancelled in full, on the cancelled amount of the relevant Lender's Available Commitment under the relevant Facility at the time the cancellation is effective.
- (c) No commitment fee is payable to the Agent (for the account of a Lender) on any undrawn Commitments of that Lender for any day on which that Lender is a Defaulting Lender.

13.2 Arrangement fee

The Borrower shall pay to the Arrangers an arrangement fee and any other fees in the amount and at the times agreed in a Fee Letter.

13.3 Agency fee

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

13.4 EIFO Fees

- (a) The Borrower acknowledges that the Lenders shall procure the placement of the EIFO Guarantee Policy through the EIFO Agent and shall benefit from it throughout the duration of the Facility Period. The Borrower agrees to pay to the EIFO Agent (for the account of EIFO) the EIFO Fees in respect of the EIFO Guarantee Policy for on-payment by the EIFO Agent to EIFO at the times and in the manner specified for payment in the EIFO Guarantee Policy (as the same is communicated to the Borrower by the EIFO Agent in writing).
- (b) The Borrower agrees that its obligation to make the payments set out in clause 13.4(a) to the EIFO Agent in respect of the EIFO Fees for the EIFO Guarantee Policy (or any part thereof) shall be an absolute obligation and shall not be affected by any matter whatsoever. The EIFO Fees (or any part thereof) for the EIFO Guarantee Policy shall not be refundable except in accordance with the terms of the EIFO Guarantee Policy.
- (c) The Borrower acknowledges that each amount of the EIFO Fees will be solely determined by EIFO pursuant to the terms of the EIFO Guarantee Policy and no Finance Party is in any way involved in the determination of the amounts of the EIFO Fees and agrees that the Borrower shall have no claim or defence against any Finance Party in connection with the amounts of the EIFO Fees for the EIFO Guarantee Policy.

13.5 Interest, commission and fees on Ancillary Facilities

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower as borrower of that Ancillary Facility based upon normal market rates and terms.

Section 6 - Additional Payment Obligations

14 Tax gross-up and indemnities

14.1 Definitions

In this Agreement:

Protected Party means a Finance Party or, in relation to clause 16.5 (*Indemnity concerning security*) and clause 16.8 (*Interest*) insofar as it relates to interest on any amount demanded by that Indemnified Person under clause 16.5 (*Indemnity concerning security*), any Indemnified Person, which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document or the EIFO Guarantee Policy.

Tax Credit means a credit against, relief or remission for, or repayment of any Tax.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document (other than a Hedging Contract) or the EIFO Guarantee Policy other than a FATCA Deduction.

Tax Payment means either the increase in a payment made by an Obligor to a Finance Party under clause 14.2 (*Tax gross-up*) or a payment under clause 14.3 (*Tax indemnity*).

14.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it under any Finance Document without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall, promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor under the relevant Finance Document shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (f) Paragraphs (a) to (e) above shall not apply in respect of any payments under any Hedging Contract, where the gross-up provisions of the relevant Hedging Master Agreement itself shall apply.

14.3 Tax indemnity

- (a) Each Obligor who is a Party shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party

determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or the EIFO Guarantee Policy.

- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under clause 14.2 (*Tax gross-up*);
or
 - (B) relates to a FATCA Deduction required to be made by a Party or any Obligor which is not a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this clause 14.3, notify the Agent.

14.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines, in its absolute direction, that:

- (a) a Tax Credit is attributable (A) to an increased payment of which that Tax Payment forms part, (B) to that Tax Payment or (C) to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.5 Indemnities on after Tax basis

- (a) If an Event of Default is continuing or where the Agent and/or Security Agent have taken any steps pursuant to clause 33.20 (*Acceleration*), to the extent that any sum payable to any Protected Party by the Borrower under any Finance Document by way of indemnity or reimbursement proves to be insufficient, by reason of any Tax suffered thereon, for that Protected Party to discharge the corresponding liability to a third party, or to reimburse that Protected Party for the cost incurred by it in discharging the corresponding liability to a third party, the Borrower shall pay that Protected Party such additional sum as (after taking into account any Tax suffered by that Protected Party on such additional sum) shall be required to make up the relevant deficit.

- (b) If and to the extent that any sum (the **Indemnity Sum**) constituting (directly or indirectly) an indemnity to any Protected Party but paid by the Borrower to any person other than that Protected Party, shall be treated as taxable in the hands of the Protected Party, the Borrower shall pay to that Protected Party such sum (the **Compensating Sum**) as (after taking into account any Tax suffered by that Protected Party on the Compensating Sum) shall reimburse that Protected Party for any Tax suffered by it in respect of the Indemnity Sum.
- (c) For the purposes of paragraphs (a) and (b) above, a sum shall be deemed to be taxable in the hands of a Protected Party if it falls to be taken into account in computing the profits or gains of that Protected Party for the purposes of Tax and, if so, that Protected Party shall be deemed to have suffered Tax on the relevant sum at the rate of Tax applicable to that Protected Party's profits or gains for the period in which the payment of the relevant sum falls to be taken into account for the purposes of such Tax.

14.6 Stamp taxes

The Borrower shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document or the EIFO Guarantee Policy.

14.7 Value added tax

- (a) All amounts expressed in a Finance Document to be payable by any party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any party under a Finance Document, and such Finance Party is required to account to the relevant tax authority for the VAT, that party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any party to a Finance Document other than the Recipient (the **Subject Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Subject Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Subject Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Subject Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any party to it to reimburse or indemnify a Finance Party for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

- (d) Any reference in this clause 14.7 to any party shall, at any time when such party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994).
- (e) In relation to any supply made by a Finance Party to any party under a Finance Document, if reasonably requested by such Finance Party, that party must promptly provide such Finance Party with details of that party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

**14.8 FATCA
information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party;
or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty;
or
 - (iii) any duty of confidentiality
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraphs (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

**14.9 FATCA
Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

15 Increased Costs

15.1 Increased costs

- (a) Subject to clause 15.3 (*Exceptions*), the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates which:
- (i) arises as a result of (A) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (B) compliance with any law or regulation in either case made after the date of this Agreement; and/or
 - (ii) is a Basel III Increased Cost.

- (b) In this Agreement **Increased Costs** means:

- (i) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;
- (ii) an additional or increased cost;
or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or an Ancillary Commitment or funding or performing its obligations under any Finance Document.

15.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to clause 15.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) A Finance Party intending to make a claim in respect of a Basel III Increased Cost pursuant to clause 15.1 (*Increased costs*) shall only be entitled to make such a claim to the extent that such costs were not known to that Finance Party on the date of this Agreement.
- (c) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

15.3 Exceptions

- (a) Clause 15.1 (*Increased costs*) does not apply to any Increased Cost which is:
- (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
or
 - (iii) compensated for by clause 14.3 (*Tax indemnity*) (or would have been compensated for under clause 14.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of clause 14.3 (*Tax indemnity*) applied); or
 - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

- (b) In paragraph (a) above, a reference to a Tax Deduction has the same meaning given to the term in clause 14.1 (*Definitions*).

16 Other indemnities

16.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (**aSum**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **First Currency**) in which that Sum is payable into another currency (the **Second Currency**) for the purpose of:
- (i) making or filing a claim or proof against that Obligor; and/or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall, as an independent obligation, within three Business Days of demand by a Finance Party, indemnify each Finance Party to whom that Sum is due against any Losses arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (ii) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

The Borrower shall (or shall procure that another Obligor will), within three Business Days of demand by a Finance Party, indemnify each Finance Party and EIFO against any and all Losses incurred by that Finance Party or EIFO (as the case may be) as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any and all Losses arising as a result of clause 44 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone);
- (d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower; or
- (e) under or pursuant to, the EIFO Guarantee Policy, including, without limitation, any additional premiums, cost or expense as provided for under the EIFO Guarantee Policy which EIFO may charge, invoice or set-off against amounts owing to the EIFO Agent or the Lenders, including, without limitation, as a result of a change of the redelivery schedule of an Existing Ship or otherwise properly incurred by the EIFO Agent and/or the Lenders in connection with compliance with the EIFO Guarantee Policy.

16.3 Environmental Indemnity

The Borrower shall (or shall procure that another Obligor will), within three (3) Business Days of demand by an Indemnified Person, indemnify each Indemnified Person against any and all

Losses, joint or several that may be incurred by or asserted or awarded against any Indemnified Person, in each case arising out of or in connection with or relating to any claim investigation, litigation or proceeding (or the preparation of any defence with respect thereto) commenced or threatened in relation to an Environmental Claim made or asserted against such Indemnified Person if such Environmental Claim would not have been, or been capable of being, made or asserted against such Indemnified Person if the Finance Parties or EIFO had not entered into any of the Finance Documents or the EIFO Guarantee Policy and/or exercised any of their rights, powers and discretions thereby conferred and/or performed any of their obligations thereunder and/or been involved in any of the transactions contemplated by the Finance Documents or the EIFO Guarantee Policy. This indemnity shall apply whether or not such claims, investigation, litigation or proceedings is brought by any Obligor, any other Group Member, any of their shareholders, their Affiliates, or creditors, or an Indemnified Person or any other person, or an Indemnified Person is otherwise a party thereto, except to the extent such Losses are found in a final non-appealable judgement by a court of competent jurisdiction to have resulted from such Indemnified Person's gross negligence or wilful misconduct. Each Indemnified Person may enforce and enjoy the benefit of this clause 16.3 under the Third Parties Act.

16.4 Indemnity to the Agent, the Security Agent, the EIFO Agent and EIFO

The Borrower shall promptly indemnify the Agent, the Security Agent, the EIFO Agent and EIFO against:

- (a) any and all Losses (together with any applicable VAT) incurred by the Agent, the Security Agent, the EIFO Agent or EIFO (acting reasonably) as a result of:
 - (i) without prejudice to clause 37.11 (*Rights and discretions of the Agent and the Security Agent*), investigating any event which it reasonably believes is a Default;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (iii) instructing lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts as permitted under the Finance Documents where, unless any of the circumstances in paragraphs (i), (ii) or (iv) apply or an Event of Default is continuing, such Losses are pre-approved by the Borrower (such approval not to be unreasonably withheld or delayed); or
 - (iv) any action taken by the Agent, the Security Agent, the EIFO Agent or EIFO or any of their representatives, agents or contractors in connection with any powers conferred by any Security Document to enforce any Security Interest thereunder or to remedy any breach of any Obligor's obligations under the Finance Documents, and
- (b) any and all Losses (including, without limitation, in respect of liability for negligence or any other category of liability whatsoever) (together with any applicable VAT) incurred by the Agent, the Security Agent, the EIFO Agent or EIFO (otherwise than by reason of the Agent's, the Security Agent's, the EIFO Agent's or EIFO's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 45.10 (*Disruption to payment systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent or the Security Agent) in acting as Agent or the Security Agent under the Finance Documents.

16.5 Indemnity concerning security

- (a) The Borrower shall (or shall procure that another Obligor will) promptly indemnify each Indemnified Person against any and all Losses (together with any applicable VAT) incurred by it as a result of:

- (i) any failure by the Borrower to comply with its obligations under clause 18(*Costs and expenses*) or any similar provision in any other Finance Document;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (iii) the taking, holding, protection or enforcement of the Transaction Security;
 - (iv) the exercise or purported exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and/or any other Finance Party in whose favour any Security Document has been granted and each Receiver and each Delegate by the Finance Documents or by law (otherwise, in each case, than by reason of the relevant Security Agent's and/or other Finance Party's, Receiver's or Delegate's gross negligence or wilful misconduct);
 - (v) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;
 - (vi) any claim (whether relating to the environment or otherwise) made or asserted against the Indemnified Person which would not have arisen but for the execution or enforcement of one or more Finance Documents (unless and to the extent it is caused by the gross negligence or wilful misconduct of that Indemnified Person);
 - (vii) instructing lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts as permitted under the Finance Documents where, unless any of the circumstances in paragraphs (i) to (vi) or paragraph (viii) apply or an Event of Default is continuing, such Losses are pre-approved by the Borrower (such approval not to be unreasonably withheld or delayed); or
 - (viii) (in the case of the Security Agent and/or any other Finance Party in whose favour any Security Document has been granted, any Receiver and any Delegate) acting as Security Agent and/or as holder of any of the Transaction Security, Receiver or Delegate under the Finance Documents or which otherwise relates to the Charged Property (otherwise, in each case, than by reason of the relevant Security Agent's and/or other Finance Party's, Receiver's or Delegate's gross negligence or wilful misconduct).
- (b) The Security Agent may, in priority to any payment to the other Finance Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 16.5 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

16.6 Continuation of indemnities

The indemnities by the Borrower in favour of any Indemnified Persons contained in this Agreement shall continue in full force and effect notwithstanding any breach by any Finance Party or the Borrower of the terms of this Agreement, the repayment or prepayment of the Loans, the cancellation of the Total Commitments or the repudiation by any Finance Party or the Borrower of this Agreement.

16.7 Third Parties Act

- (a) Each Indemnified Person may rely on the terms of clause 16.5(*Indemnity concerning security*) and clauses 14 (*Tax gross-up and indemnities*) and 16.8 (*Interest*) insofar as it relates to interest on, or the calculation of, any amount demanded by that Indemnified Person under clause 16.5 (*Indemnity concerning security*), subject to clause 1.4(*Third party rights*) and the provisions of the Third Parties Act.

(b) Where an Indemnified Person (other than a Finance Party) (**the Relevant Beneficiary**) who is:

- (i) appointed by a Finance Party under the Finance Documents;
- (ii) an Affiliate of any such person or that Finance Party;
or
- (iii) an officer, director, employee, adviser, representative or agent of any of the above persons or that Finance Party,

is entitled to receive any amount (a **Third Party Claim**) under any of the provisions referred to in paragraph (a) above:

- (A) the Borrower shall at the same time as the relevant Third Party Claim is due to the Relevant Beneficiary pay to that Finance Party a sum in the amount of that Third Party Claim;
- (B) payment of such sum to that Finance Party shall, to the extent of that payment, satisfy the corresponding obligations of the Borrower to pay the Third Party Claim to the Relevant Beneficiary; and
- (C) if the Borrower pay the Third Party Claim direct to the Relevant Beneficiary, such payment shall, to the extent of that payment, satisfy the corresponding obligations of the Borrower to that Finance Party under sub-paragraph (A) above.

16.8 Interest

Moneys becoming due by the Borrower to any Indemnified Person under the indemnities contained in this clause 16 (*Other indemnities*) or elsewhere in this Agreement shall be paid on demand made by such Indemnified Person and shall be paid together with interest on the sum demanded from the date of demand therefor to the date of reimbursement by the Borrower to such Indemnified Person (both before and after judgment) at the rate referred to in clause 10.4 (*Default interest*).

16.9 Exclusion of liability

Without prejudice to any other provision of the Finance Documents excluding or limiting the liability of any Indemnified Person, no Indemnified Person will be in any way liable or responsible to any Obligor (whether as mortgagee in possession or otherwise) who is a Party or is a party to a Finance Document to which this clause applies for any loss or liability arising from any act, default, omission or misconduct of that Indemnified Person, except to the extent caused by its own gross negligence or wilful misconduct. Any Indemnified Person may rely on this clause 16.9 subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

17 Mitigation by the Lenders

17.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 8.1 (*Illegality*), clause 14 (*Tax gross-up and indemnities*) or clause 15 (*Increased costs*) including (but not limited to) assigning its rights under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

17.2 Limitation of liability

- (a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses incurred by that Finance Party as a result of steps taken by it under clause 17.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18 Costs and expenses

18.1 Transaction expenses

The Borrower shall, promptly on demand, pay the Agent, the Security Agent, the Arrangers, the EIFO Agent and EIFO the amount of all costs and expenses pre-approved by the Borrower (such approval not to be unreasonably withheld or delayed) (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication, registration and perfection and any release, discharge or reassignment of:

- (a) this Agreement, the Hedging Master Agreements and any other documents referred to in this Agreement, the Security Documents and the EIFO Guarantee Policy;
- (b) any other Finance Documents executed or proposed to be executed after the date of this Agreement including any executed to provide additional security under clause 28 (*Minimum security value*); or
- (c) any Security Interest expressed or intended to be granted by a Finance Document,

whether or not the transactions contemplated under the Finance Documents are consummated.

18.2 Amendment costs

If:

- (a) an Obligor requests an amendment, waiver or consent;
- (b) any amendment or waiver is contemplated or agreed pursuant to clause 51.5 (*Replacement of Screen Rate*); or
- (c) an amendment is required pursuant to clause 45.9 (*Change of currency*),

the Borrower shall, within three Business Days of demand by the Agent, the Security Agent or EIFO reimburse the Agent or the Security Agent (or, in the case of a demand by EIFO, the EIFO Agent), for the amount of all reasonably incurred and documented costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by the Agent, the Security Agent, the EIFO Agent or EIFO (and by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 Agent's and Security Agent's management time and additional remuneration

- (a) Following the occurrence of an Event of Default that is continuing, any amount payable to the Agent or the Security Agent under clause 16.4 (*Indemnity to the Agent, the Security Agent, the EIFO Agent and EIFO*), clause 16.5 (*Indemnity concerning security*), clause 18 (*Costs and expenses*) or clause 37.15 (*Lenders' indemnity to the Agent and others*) shall include the cost of utilising the Agent's or (as the case may be) the Security Agent's

management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent or (as the case may be) the Security Agent may notify to the Borrower and the other Finance Parties, and is in addition to any other fee paid or payable to the Agent or the Security Agent.

(b) Without prejudice to paragraph (a) above, in the event of:

- (i) an Event of Default;
- (ii) the Agent or the Security Agent being requested by an Obligor or the other Finance Parties to undertake duties which the Agent or (as the case may be) the Security Agent and the Borrower agree to be of an exceptional nature or outside the scope of the normal duties of the Agent or (as the case may be) the Security Agent under the Finance Documents; or
- (iii) the Agent or (as the case may be) the Security Agent and the Borrower agreeing that it is otherwise appropriate in the circumstances,

the Borrower shall pay to the Agent or (as the case may be) the Security Agent any additional remuneration that may be agreed between them or determined pursuant to paragraph (c) below.

(c) If the Agent or (as the case may be) the Security Agent and the Borrower fail to agree upon the nature of the duties, or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Agent or (as the case may be) the Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Agent or (as the case may be) the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the Parties.

18.4 Enforcement, preservation and other costs

- (a) The Borrower shall, on demand by a Finance Party or EIFO, pay to each Finance Party and EIFO the amount of all costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by that Finance Party or EIFO in connection with the enforcement of, or the preservation of any rights under, any Finance Document, the EIFO Guarantee Policy and any Transaction Security and any proceedings instituted by or against any Indemnified Person as a consequence of taking or holding the Security Documents or the EIFO Guarantee Policy or enforcing those rights.
- (b) The Borrower shall, on demand by the Agent, pay to the Agent the amount of all costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by the Agent in connection with:
 - (i) any valuation carried out under clause 28 (*Minimum security value*) to the extent that the costs of such valuation is payable by the Borrower pursuant to clause 28 (*Minimum security value*); or
 - (ii) any inspection carried out under clause 26.9 (*Inspection and notice of dry-docking*) provided that if no Event of Default is continuing the Borrower shall not pay the costs of more than one such inspection per calendar year.

Section 7 - Guarantee

19 Guarantee and indemnity

19.1 Guarantee and indemnity

Each Guarantor hereby irrevocably and unconditionally and jointly and severally with each of the other Guarantors:

- (a) guarantees to the Security Agent (as trustee for the Finance Parties) and the other Finance Parties punctual performance by each other Obligor of all such Obligor's obligations under the Finance Documents;
- (b) undertakes with the Security Agent (as trustee for the Finance Parties) and the other Finance Parties that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with the Security Agent (as trustee for the Finance Parties) and the other Finance Parties that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation indemnify each Finance Party immediately on demand against any cost, loss or liability it incurs as a result of another Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by such Obligor under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this clause 19.1 if the amount claimed had been recoverable on the basis of a guarantee.

19.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this clause 19 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.4 Waiver of defences

The obligations of each Guarantor under this clause 19 will not be affected by an act, omission, matter or thing (whether or not known to it or any Finance Party) which, but for this clause 19, would reduce, release or prejudice any of its obligations under this clause 19 including (without limitation):

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any other Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (g) any law or regulation of any jurisdiction or any other event affecting any term of the guaranteed obligations;
- (h) any other circumstance that might constitute a defence of any Guarantor;
or
- (i) any insolvency or similar proceedings.

19.5 Guarantor intent

Without prejudice to the generality of clause 19.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents.

19.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this clause 19. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this clause 19.

19.8 Deferral of Guarantors' rights

- (a) Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this clause 19:
 - (i) to be indemnified by another Obligor;
 - (ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
 - (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under clause 19 (*Guarantee and indemnity*);
 - (v) to exercise any right of set-off against any other Obligor;
and/or
 - (vi) to claim or prove as a creditor of any other Obligor in competition with any Finance Party.
- (b) If a Guarantor receives any benefit, payment or distribution in relation to such rights it will promptly pay an equal amount to the Agent for application in accordance with clause 45 (*Payment mechanics*). This only applies until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full.

19.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

19.10 Amendments and waivers in writing

No waivers by any Finance Party or amendments to, of, or in connection with, the provisions of the Guarantee may be made unless they are made in writing by the Parties and with the prior written consent of all the Lenders and EIFO.

19.11 Guarantors' rights and obligations

- (a) The obligations of each Guarantor under the Guarantee and under this Agreement are joint and several. Failure by a Guarantor to perform its obligations under the Guarantee and/or this Agreement shall constitute a failure by all of the Guarantors.
- (b) Each Guarantor irrevocably and unconditionally jointly and severally with each other Guarantor:
 - (i) agrees that it is responsible for the performance of the obligations of each other Guarantor under the Guarantee and this Agreement;
 - (ii) acknowledges and agrees that it is a principal and original debtor in respect of all amounts due from the Guarantors under the Guarantee and under this Agreement; and
 - (iii) agrees with each Finance Party that, if any obligation of any other Guarantor under the Guarantee and this Agreement is or becomes unenforceable, invalid or illegal for any reason it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any and all Losses it incurs as a result of that Guarantor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by such Guarantor under the Guarantee and/or this Agreement. The amount payable under this indemnity shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.
- (c) The obligations of each Guarantor under the Finance Documents shall continue until all amounts which may be or become payable by the Guarantors under or in connection with the Finance Documents have been irrevocably and unconditionally paid or discharged in full, regardless of any intermediate payment or discharge in whole or in part.

- (d) In no event shall any of the Guarantors have any right to claim or demand proceeds under the EIFO Guarantee Policy, whether on the basis that it has performed its obligations under the Guarantee and this Agreement and has acquired by way of subrogation the respective rights of the Borrower or the Lenders or any of them against EIFO, or otherwise.

19.12 Operational subordination

For so long as a Guarantor is also a Bareboat Charterer and/or a Manager of a Mortgaged Ship, the relevant Guarantor further agrees and undertakes in relation to each relevant Mortgaged Ship, the relevant Bareboat Charter and any Management Agreement to which such Guarantor is a party, throughout such Ship's Mortgage Period (and references below to "the Ship" shall be deemed to mean each such Mortgaged Ship):

- (a) that any Management Agreement or Bareboat Charter and such Guarantor's rights under it will be fully subordinate to the rights of the Finance Parties under the Finance Documents;
- (b) not to make a claim under or in connection with any Management Agreement or Bareboat Charter for the Ship which could result in the Ship being arrested, detained or sold;
- (c) not to take any other action in relation to the Ship which could interfere with:
 - (i) any Finance Party's rights or powers pursuant to any of the Transaction Security;
 - (ii) any claims by any Finance Party against the proceeds of any sale of the Ship;
 - (iii) the exercise of any right or power any Finance Party has to sell the Ship, whether pursuant to the Mortgage or otherwise; or
 - (iv) any sale of the Ship by an Owner with the Majority Lenders' approval or at their direction where the Mortgage has become enforceable;
- (d) to waive any such right that the relevant Guarantor might otherwise have had to make any such claims and not to make any claim against any Finance Party in respect of any interference with the relevant Guarantor's rights under any Management Agreement or Bareboat Charter for the Ship resulting from the exercise of any Finance Party's rights under the Finance Documents;
- (e) not to exercise any lien such Guarantor has on the Ship in priority to or in competition with the Finance Parties' rights under the Mortgage;
- (f) that despite the terms of any Management Agreement or Bareboat Charter for the Ship, if a Finance Party becomes entitled to enforce the Mortgage over the Ship, the Security Agent (acting on the instructions of the Majority Lenders) may terminate any Management Agreement or Bareboat Charter for the Ship by way of written notice and the relevant Guarantor will not have any claim for any resulting loss;
- (g) not to compete with any Finance Party in the liquidation, winding-up or other dissolution of any person liable to the Finance Parties under any of the Finance Documents;
- (h) not to demand or accept payment of any moneys due in respect of the management of the Ship at a time where any Transaction Security has become enforceable;
- (i) not to appoint a sub-manager of the Ship without the approval of the Majority Lenders and to procure that any sub-manager so approved will provide a Manager's Undertaking or equivalent;
- (j) to promptly notify the Agent if any amounts are owing to the relevant Guarantor under any Management Agreement or Bareboat Charter for the Ship for more than 10 days after the period agreed for payment; and

- (k) to give the Agent such information about the Ship and its management and any amounts owing to the relevant Guarantor under any Management Agreement or Bareboat Charter for the Ship as the Agent (acting on the instructions of the Majority Lenders) may from time to time request.

Section 8 - Representations, Undertakings and Events of Default

20 Representations

20.1 Each Obligor who is a Party makes and repeats the representations and warranties set out in this clause 20 to each Finance Party at the times specified in clause 20.37 (*Times when representations are made*).

20.2 Status

- (a) Each Obligor is a company or corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.
- (b) Each Obligor and each other Group Member has power and authority to own its assets and to carry on its business as it is now being conducted.

20.3 Binding obligations

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by each Obligor in each Finance Document to which it is, or is to be, a party are or, when entered into by it, will be legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above) each Security Document to which an Obligor is, or will be, a party, creates or will create the Security Interests which that Security Document purports to create and those Security Interests are or will be valid and effective.

20.4 Non-conflict

The entry into and performance by each Obligor of, and the transactions contemplated by the Finance Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to any Obligor;
- (b) the Constitutional Documents of any Obligor or any other Group Member;
or
- (c) any material agreement or other material instrument binding upon any Obligor or any other Group Member or its or any other Group Member's assets

or constitute a default or termination event (however described) under any such material agreement or material instrument or result in the creation of any Security Interest (save for a Permitted Maritime Lien or under a Security Document) on any Obligor's or any other Group Member's assets, rights or revenues.

20.5 Power and authority

- (a) Each Obligor has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, each Finance Document to which it is, or is to be, a party and each of the transactions contemplated by those documents.
- (b) No limitation on any Obligor's powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Finance Document to which such Obligor is, or is to be, a party.

20.6 Validity and admissibility in evidence

- (a) All Authorisations required or desirable:

- (i) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations under each Finance Document to which it is a party;
- (ii) to make each Finance Document to which it is a party admissible in evidence in its Relevant Jurisdictions;
and
- (iii) to ensure that the Transaction Security has the priority and ranking contemplated by the Security Documents,

have been obtained or effected and are in full force and effect except any Authorisation or filing referred to in clause 20.14(*No filing or stamp taxes*), which Authorisation or filing will be promptly obtained or effected within any applicable period.

- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of each Obligor and each other Group Member have been obtained or effected and are in full force and effect if failure to obtain or effect those Authorisations is reasonably likely to have a Material Adverse Effect.

20.7 Governing law and enforcement

- (a) Subject to the Legal Reservations, the choice of governing law of any Finance Document will be recognised and enforced in each Obligor's Relevant Jurisdictions.
- (b) Subject to the Legal Reservations, any judgment obtained in relation to any Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in each Obligor's Relevant Jurisdictions.

20.8 No misleading information

- (a) Any factual information contained in the Information Package is true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.
- (b) Any financial projection or forecast contained in the Information Package and any budget provided pursuant to clause 21.6 *Budget* have been prepared on the basis of recent historical information and on the basis of reasonable assumptions and were fair (as at the date of the relevant report or document containing the projection or forecast or of the relevant budget) and arrived at after careful consideration.
- (c) The expressions of opinion or intention provided by or on behalf of an Obligor for the purposes of the Information Package were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were fair and based on reasonable grounds.
- (d) No event or circumstance has occurred or arisen and no information has been omitted from the Information Package and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the Information Package being untrue or misleading in any material respect.
- (e) All other written information provided by any Group Member (including its advisers) to a Finance Party was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any material respect.
- (f) For the purposes of this clause 20.8, **Information Package** means any written information (other than Green Loan Information) provided by any Obligor or any other Group Member to any of the Finance Parties in connection with the Transaction Documents or the transactions referred to in them (including any information memorandum).
- (g) All Green Loan Information was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.

20.9 Original Financial Statements

- (a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) The audited Original Financial Statements give a true and fair view of the financial condition as at the end of the relevant Financial Year and the results of operations of the relevant Obligors (consolidated in the case of the Borrower and the Target) during the relevant Financial Year.
- (c) The unaudited Original Financial Statements fairly present the financial condition as at the end of the relevant financial half year and the results of operations of the relevant Obligors and the Group (consolidated in the case of the Borrower and the Target) during the relevant financial half year.
- (d) There has been no material adverse change in the assets, business or financial condition or operations of any Obligor (or the assets, business or operations or consolidated financial condition of the Group, in the case of the Borrower and the Target) since the date of the Original Financial Statements.

20.10 Pari passu ranking

Each Obligor's payment obligations under the Finance Documents to which it is, or is to be, a party rank at least pari passu with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

20.11 Ranking and effectiveness of security

Subject to the Legal Reservations and any filing, registration or notice requirements which is referred to in any Legal Opinion:

- (a) the Transaction Security has (or will have when the relevant Security Documents have been executed) the priority which it is expressed to have in the Security Documents;
- (b) the Charged Property is not subject to any Security Interest other than Permitted Security Interests;
and
- (c) the Transaction Security will constitute perfected security on the assets described in the Security Documents.

20.12 Ownership of Charged Property

Each Obligor is the sole legal and beneficial owner of the Charged Property over which it purports to grant a Security Interest under the Security Documents.

20.13 No insolvency

No corporate action, legal proceeding or other procedure or step described in clause 33.9 (*Insolvency proceedings*) or creditors' process described in clause 33.10 (*Creditors' process*) has been taken or, to the knowledge of any Obligor, threatened in relation to a Group Member and none of the circumstances described in clause 33.8 (*Insolvency*) applies to any Group Member.

20.14 No filing or stamp taxes

Under the laws of each Obligor's Relevant Jurisdictions it is not necessary that any Finance Document to which it is, or is to be, party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to any such Finance Document or the transactions contemplated by the Finance Documents except for any filing, recording or enrolling or any tax (including stamp duty)

or fee payable in relation to any Finance Document which is referred to in any Legal Opinion and which will be made or paid promptly after the date of the relevant Finance Document and prior to the deadline set out in section 90 of the Cyprus Companies Law, Cap. 113 in the case of the Transaction Security which should be registered at the Cyprus Companies Registry, and registration of particulars of the Transaction Security granted by an English Obligor at the Companies Registration Office in England and Wales under section 859A of the Companies Act 2006 and payment of associated fees.

20.15 Deduction of Tax

No Obligor is required to make any Tax Deduction (as defined in clause 14.1(*Definitions*)) from any payment it may make under any Finance Document to which it is, or is to be, a party and no other party is required to make any such deduction from any payment it may make under any other Finance Document.

20.16 Tax compliance

- (a) No Obligor or other Group Member is materially overdue in the filing of any Tax returns or overdue in the payment of any amount in respect of Tax.
- (b) No claims or investigations are being, or are reasonably likely to be, made or conducted against any Obligor or other Group Member with respect to Taxes such that a liability of, or claim against, any Obligor or other Group Member is reasonably likely to arise for an amount for which adequate reserves have not been provided in the Original Financial Statements and which is reasonably likely to have a Material Adverse Effect.
- (c) Each Obligor is resident for Tax purposes only in its Original Jurisdiction.

20.17 Other Tax matters

The execution or delivery or performance by any Party of the Finance Documents will not result in any Finance Party:

- (a) having any liability in respect of Tax in any Flag State;
- (b) having or being deemed to have a place of business in any Flag State or any Relevant Jurisdiction of any Obligor.

20.18 No Default

- (a) No Default is continuing or might reasonably be expected to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on any Obligor or any other Group Member or to which any Obligor's (or any other Group Member's) assets are subject which is reasonably likely to have a Material Adverse Effect.

20.19 No proceedings

- (a) No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which is reasonably likely to have a Material Adverse Effect has or have (to the best of any Obligor's knowledge and belief (having made due and careful enquiry)) been started or threatened against any Obligor or any other Group Member.
- (b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is reasonably likely to have a Material

Adverse Effect has (to the best of any Obligor's knowledge and belief (having made due and careful enquiry)) been made against any Obligor or any other Group Member.

20.20 No breach of laws

- (a) No Obligor or other Group Member has breached any law or regulation which breach is reasonably likely to have a Material Adverse Effect.
- (b) No labour dispute is current or, to the best of any Obligor's knowledge and belief (having made due and careful enquiry), threatened against any Obligor which is reasonably likely to have a Material Adverse Effect.

20.21 Environmental matters

- (a) No Environmental Law applicable to any Fleet Vessel and/or any Obligor or other Group Member has been violated in a manner or to an extent which might have, a Material Adverse Effect.
- (b) All consents, licences and approvals required under such Environmental Laws have been obtained and are currently in force where failure to obtain any of these is reasonably likely to have a Material Adverse Effect.
- (c) No Environmental Claim has been made or, to the best of any Obligor's knowledge and belief (having made due and careful enquiry), is threatened or pending against any Group Member or any Fleet Vessel where that claim is reasonably likely to have a Material Adverse Effect and there has been no Environmental Incident which has given, or might give, rise to such a claim.

20.22 Anti-corruption law

Each Group Member has conducted its businesses in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

20.23 Security and Financial Indebtedness

- (a) No Security Interest exists over all or any of the present or future assets of any Obligor or other Group Member in breach of this Agreement.
- (b) No Obligor or other Group Member has any Financial Indebtedness outstanding in breach of this Agreement.

20.24 Shares

- (a) The shares of each Owner are fully paid and not subject to any option to purchase or similar rights.
- (b) The Constitutional Documents of each Owner do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Security Documents.
- (c) There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any Owner (including any option or right of pre-emption or conversion).

20.25 Ownership of Obligors

Each Obligor (other than the Borrower) is a direct or indirect wholly owned Subsidiary of the Borrower (with the exception of a Bareboat Charterer under a JV Bareboat Charter which is a direct or indirect Subsidiary of the Borrower).

20.26 No Change of Control

There has not been a Change of Control.

20.27 Accounting Reference Date

The Financial Year-end of each Obligor and other Group Member is the Accounting Reference Date.

20.28 No adverse consequences

- (a) It is not necessary under the laws of the Relevant Jurisdictions of any Obligor:
- (i) in order to enable any Finance Party to enforce its rights under any Finance Document to which it is, or is to be, a party;
or
 - (ii) by reason of the execution of any Finance Document or the performance by any Obligor of its obligations under any Finance Document,
- that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any of such Relevant Jurisdictions.
- (b) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in any Relevant Jurisdiction of any Obligor by reason only of the execution, performance and/or enforcement of any Finance Document.

20.29 Copies of documents

The copies of those Transaction Documents which are not Finance Documents and the Constitutional Documents of the Obligors delivered to the Agent under clause 4 (*Conditions of Utilisation*) will be true, complete and accurate copies of such documents and include all amendments and supplements to them as at the time of such delivery and no other agreements or arrangements exist between any of the parties to those Transaction Documents which would materially affect the transactions or arrangements contemplated by them or modify or release the obligations of any party under them.

20.30 Breach, etc. of any Upgrade Contract Document

No Obligor nor (so far as the Obligors are aware) any other person is in breach of any Upgrade Contract Document to which it is a party nor has anything occurred which entitles or may entitle any party to rescind or terminate it or decline to perform their obligations under it or which would render it illegal, invalid or unenforceable.

20.31 No breach of charters

No Obligor is in breach of any Bareboat Charter to which it is a party nor has anything occurred which entitles or which may entitle any party to rescind or terminate it or decline to perform their obligations under it.

20.32 No immunity

No Obligor or any of its assets is immune to any legal action or proceeding.

20.33 Sanctions

- (a) No Obligor, no other Group Member nor any of their respective directors, officers or, so far as each Obligor is aware, none of their employees is:
- (i) a Restricted Party;

- (ii) in breach of Sanctions;
or
 - (iii) to its knowledge subject to, involved in or has received notice of any complaint, claim, action, suit, proceedings, formal notice, investigation or other action by any regulatory or enforcement authority or any Sanctions Authority concerning any Sanctions.
- (b) Each Obligor has implemented and maintains a Sanctions compliance policy or equivalent which, in accordance with the recommendations of the Sanctions Advisory, is designed to ensure compliance by that Obligor, each Group Member and their respective directors, officers, employees and agents with Sanctions. Each Obligor, each Group Member and their respective directors, officers and, to the knowledge of that Obligor, its employees, are in compliance with Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in such Obligor being designated as a Restricted Party. Without limitation on the foregoing, such Sanctions compliance policy shall procure that each Obligor, each Group Member and their respective directors, officers, employees and agents shall, where applicable:
- (i) conduct their activities in a manner consistent with Sanctions;
 - (ii) have sufficient resources in place to ensure execution of and compliance with their own Sanctions policies by their personnel, including but not limited to direct hires, contractors, and staff;
 - (iii) ensure Subsidiaries and Affiliates comply with the relevant policies, as applicable;
 - (iv) have relevant controls in place to monitor automatic identification system (AIS) transponders;
 - (v) have controls in place to screen and assess onboarding or offloading cargo in areas they determine to present a high risk;
 - (vi) have controls to assess authenticity of bills of lading, as necessary; and
 - (vii) have controls in place consistent with the Sanctions Advisory.

**20.34 Ship
status**

Each Ship will on the first day of the relevant Mortgage Period be:

- (a) registered in the name of the relevant Owner through the relevant Registry as a ship under the laws and flag of the relevant Flag State;
- (b) operationally seaworthy and fit for service in all material respects;
- (c) classed with the relevant Classification as required under this Agreement free of any overdue requirements and recommendations of the relevant Classification Society affecting class; and
- (d) insured in the manner required by the Finance Documents.

**20.35 Ship's
employment**

Each Ship shall on the first day of the relevant Mortgage Period be free of any charter commitment which, if entered into after that date, would require approval under the Finance Documents.

**20.36 Address
commission**

There are no rebates, commissions or other payments to the Contractor or the Obligors in connection with any Upgrade Contract Document other than those referred to in it.

20.37 Times when representations are made

- (a) All of the representations and warranties set out in this clause 20 (other than Ship Representations, the representation in paragraph (g) of clause 20.8 (*No misleading information*), and the representations set out in clauses 20.14 (*No filing or stamp taxes*) to 20.17 (*Other Tax matters*) and clause 20.28 (*No adverse consequences*)) are deemed to be made on the dates of:
 - (i) this Agreement;
 - (ii) the first Utilisation Request;
 - (iii) the Closing Date; and
 - (iv) the first Utilisation,

provided that, for the avoidance of doubt, paragraphs (i) and (ii) above shall not apply to Obligors other than the Original Obligors.

- (b) The Repeating Representations are deemed to be made on the dates of each subsequent Utilisation Request and each subsequent Utilisation Date and the first day of each Interest Period.
- (c) The representation in clause 20.33 (*Sanctions*) is deemed to be made on the date of any subsequent Utilisation Request and any subsequent Utilisation Date.
- (d) All the representations and warranties in this clause 20 except clause 20.8 (*No misleading information*) are deemed to be made by each Additional Guarantor on the day on which it becomes (and on the date it is proposed that it becomes) an Additional Guarantor.
- (e) All of the Ship Representations in relation to a Ship are deemed to be made on the first day of the Mortgage Period for the relevant Ship.
- (f) The representation in paragraph (g) of clause 20.8 (*No misleading information*) is deemed to be made:
 - (i) at any time prior to the Closing Date, by each Original Obligor; and
 - (ii) at any time from and including the Closing Date, by each Obligor,

on the date of each Green Loan Compliance Certificate.

- (g) The representations set out in clauses 20.14 (*No filing or stamp taxes*) to 20.17 (*Other Tax matters*) and clause 20.28 (*No adverse consequences*) shall be made by each Original Obligor on the date of this Agreement and otherwise in accordance with paragraph (d) above.
- (h) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

21 Information undertakings

21.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 21 will be complied with throughout the Facility Period.

21.2 Interpretation

In this clause 21:

Annual Financial Statements means each of the audited consolidated financial statements for a Financial Year of the Borrower delivered pursuant to paragraph (a) of clause 21.3 (*Financial statements*).

Semi-Annual Financial Statements means each of the consolidated financial statements for the first half year of the Financial Year of the Borrower delivered pursuant to paragraph (b) of clause 21.3 (*Financial statements*).

21.3 Financial statements

- (a) The Obligors shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) and the Agent shall supply to the Lenders and to the EIFO Agent (who will supply to EIFO) as soon as the same become available, but in any event:
 - (i) within 120 days after the end of each Financial Year, the audited consolidated financial statements of the Borrower for that Financial Year; and
 - (ii) within 180 days after the end of each Financial Year, the audited financial statements of each Guarantor for that Financial Year.
- (b) The Obligors shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) and the Agent shall supply to the Lenders and to the EIFO Agent (who will supply to EIFO) as soon as the same become available, but in any event within 90 days after the end of the first half year of each of its Financial Year (namely each six month period ending on 30 June of a Financial Year) the unaudited consolidated financial statements of the Borrower for that financial half year.

21.4 Provision and contents of Compliance Certificate and Contracted Cash Flows Certificate

- (a) The Obligors shall supply to the Agent and the Agent shall supply to each Lender and the EIFO Agent (who will supply to EIFO), a Compliance Certificate, with each set of Annual Financial Statements and Semi-Annual Financial Statements.
- (b) Each Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations as to compliance with clause 22(*Financial Covenants*).
- (c) Each Compliance Certificate shall be signed by the chief executive officer or chief financial officer of the Borrower.
- (d) The Obligors shall supply to the Agent and the Agent shall supply to each Lender and EIFO, a Contracted Cash Flows Certificate on the date falling ten Business Days after the end of each fiscal quarter of the Borrower's Financial Year (namely, each period ending on 31 March, 30 June, 30 September and 31 December in each Financial Year).
- (e) Each Contracted Cash Flows Certificate shall set out (in reasonable detail) computations as to the Contracted Cash Flows (as the same is calculated by the Borrower to the satisfaction of the Agent) and the aggregate amount of all outstanding Loans as a percentage of the Contracted Cash Flows, as at the time it is issued.
- (f) Each Contracted Cash Flows Certificate shall be signed by the chief executive officer or chief financial officer of the Borrower.

21.5 Requirements as to financial statements

- (a) The Borrower shall procure that each set of financial statements delivered pursuant to clause 21.3 (*Financial statements*) includes a profit and loss account, a balance sheet and a cashflow statement and that, in addition, each set of such annual financial statements shall be audited by the Auditors.

- (b) Each set of financial statements delivered pursuant to clause 21.3 (*Financial statements*) shall:
 - (i) be certified by a director of the relevant company as fairly presenting, its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the annual financial statements, shall be accompanied by any letter addressed to the management of the relevant company by the Auditors and accompanying those financial statements; and
 - (ii) in the case of audited annual financial statements, not be the subject of any material qualification in the Auditors' opinion.
- (c) The Borrower shall procure that each set of financial statements delivered pursuant to clause 21.3 (*Financial statements*) shall be prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements, unless, in relation to any set of financial statements, the Borrower notifies the Agent that there has been a change in GAAP or the accounting practices and the Auditors deliver to the Agent:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP or accounting practices and reference periods upon which corresponding Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether clause 22 (*Financial covenants*) has been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.
- (d) Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

21.6 Budget

- (a) Subject to paragraph (d) below, the Borrower shall supply to the Agent, as soon as the same become available but in any event before the start of each of its Financial Years, an electronic copy of its preliminary annual budget for that Financial Year. Such budget will be for preliminary information purposes only and will not have been reviewed and/or approved by the Borrower's board of directors. The Borrower shall immediately upon the release of its annual report and final budget for the relevant Financial Year supply the Agent with the final budget as approved by its board of directors.
- (b) Subject to paragraph (d) below, the Borrower shall ensure that each preliminary budget for a Financial Year:
 - (i) is in a form reasonably acceptable to the Agent and includes:
 - (A) a projected consolidation profit and loss balance sheet and cashflow projections and a cashflow statement for the Group;
 - (B) projected financial covenant calculations;
and
 - (C) any other information reasonably requested by any Lender or EIFO;for that Financial Year and itemised for each calendar month of that Financial Year;
 - (ii) is prepared in accordance with GAAP and the accounting practices and financial reference periods applied to financial statements under clause 21.3 (*Financial statements*); and

- (iii) has been approved by the board of directors of the Borrower.
- (c) Subject to paragraph (d) below, if the Borrower updates or changes the budget, it shall within not more than 5 days of the update or change being made deliver to the Agent in sufficient copies each of the Lenders, such updated or changed budget together with a written explanation of the main changes in that budget.
- (d) Notwithstanding paragraphs (a) to (c) above, the Borrower shall only be obliged to supply the Agent with a preliminary budget where such obligation will not (A) be in breach of (i) applicable market abuse regulations and/or (ii) the Danish Financial Supervisory Authority's or other relevant authority's interpretation of guidance requirements for listed companies and/or (B) require the Borrower to make a public disclosure under applicable market abuse regulation and/or the Danish Financial Supervisory Authority's or other relevant authority's interpretation of disclosure on guidance.

21.7 Presentations

Once in every Financial Year, or more frequently if requested to do so by the Agent if the Agent reasonably suspects a Default is continuing or may have occurred or may occur, the Obligors shall procure that at least two directors of the Borrower (one of whom shall be the chief financial officer) give a presentation to the Finance Parties and EIFO about the on-going business and financial performance of the Group and any other matter which a Finance Party or EIFO may reasonably request.

21.8 Year-end

The Borrower shall procure that each Financial Year-end of each Obligor and each Group Member falls on the Accounting Reference Date.

21.9 Information: miscellaneous

The Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) and the Agent shall supply to the EIFO Agent (who will supply to EIFO):

- (a) at the same time as they are dispatched, copies of all documents dispatched by the Borrower to its shareholders generally (or any class of them) or dispatched by the Borrower or any Obligors to its creditors generally (or any class of them);
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any Group Member, and which, if adversely determined, might reasonably be expected to have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any Group Member and which is reasonably likely to have a Material Adverse Effect;
- (d) promptly, such information as the Agent or the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Security Documents; and
- (e) promptly following a request, such further information regarding the financial condition, assets and operations of the Group and/or any Group Member as any Finance Party through the Agent may reasonably request and which can be delivered without breach of any legally binding confidentiality restrictions and/or applicable market abuse regulations on the part of an Obligor.

21.10 Notification of Default

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon any Obligor becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by two of its directors or senior officers certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

21.11 Sufficient copies

The Borrower, if so requested by the Agent, shall deliver sufficient copies of each document to be supplied under the Finance Documents to the Agent to distribute to each of the Lenders and the Hedging Providers.

21.12 Direct electronic delivery by the Borrower

The Borrower may satisfy their obligation under this Agreement to deliver any information in relation to a Lender or to EIFO by delivering that information directly to that Lender or EIFO, as the case may be, in accordance with clause 47.5 (*Electronic communication*) to the extent that Lender and the Agent agree to this method of delivery.

21.13 "Know your customer" checks

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor (or of a Holding Company of an Obligor) or the composition of the shareholders of an Obligor (or of a Holding Company of an Obligor) after the date of this Agreement;
 - (iii) any internal policy of a Finance Party;
or
 - (iv) a proposed assignment by a Lender or a Hedging Provider of any of its rights under this Agreement or any Hedging Contract to a party that is not already a Lender or a Hedging Provider prior to such assignment,

obliges the Agent, the Security Agent, or the relevant Hedging Provider or any Lender (or, in the case of paragraph (iv) above, any prospective new Lender or the Security Agent) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent, the Security Agent, any Lender or any Hedging Provider, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender, the Security Agent or any Hedging Provider) or any Lender, the Security Agent or any Hedging Provider (for itself or, in the case of the event described in paragraph (iv) above, on behalf of any prospective new Lender or Hedging Provider) in order for the Agent, the Security Agent, such Lender or any Hedging Provider or, in the case of the event described in paragraph (iv) above, any prospective new Lender or Hedging Provider to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Finance Party shall, promptly upon the request of the Agent, the Security Agent, any Lender or EIFO supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent, the Security Agent, any Lender or EIFO (for itself) in order for it to carry out and be satisfied it has complied with all necessary "know your

customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (c) If the accession of an Additional Guarantor obliges the Agent, any Lender or any Hedging Provider to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the Agent, any Lender or any Hedging Provider supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) or any Hedging Provider in order for the Agent, such Lender or Hedging Provider or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Guarantor.

21.14 EIFO notification and information

Each Obligor shall promptly:

- (a) notify the Agent (and the Agent shall notify the EIFO Agent and each Lender) forthwith by facsimile thereafter confirmed by letter of the occurrence of any political or commercial risk covered by the EIFO Guarantee Policy; and
- (b) provide the Agent (and the Agent shall provide the EIFO Agent and each Lender) with copies of all financial or other information required by the Agent to satisfy any request for information by EIFO pursuant to the EIFO Guarantee Policy.

21.15 Upgrade Contract Documents

The Borrower shall promptly provide to the Agent such information that the Agent may reasonably request in relation to the Upgrade Contract Documents, the progress and status of the Upgrade for the Existing Ships thereunder and any related costs.

21.16 Green Loan Compliance Certificate and Green Loan Report

- (a) The Borrower shall supply to the Agent in sufficient copies for all the Lenders, as soon as the same becomes available but, subject to paragraph (b) below, in any event within 120 days after the end of their financial year, a Green Loan Compliance Certificate for that financial year (namely, other than a Pre-Utilisation Green Loan Compliance Certificate).
- (b) The first Green Loan Compliance Certificate in respect of a financial year (namely, other than a Pre-Utilisation Green Loan Compliance Certificate) shall be delivered to the Agent in respect of the financial year ending 31 December 2023.
- (c) Each Green Loan Compliance Certificate in respect of a financial year (namely, other than a Pre-Utilisation Green Loan Compliance Certificate) shall:
 - (i) set out (in reasonable detail):
 - (A) the Borrower's compliance with the Green Loan Criteria for the relevant financial year (including relevant computations); and
 - (B) any Green Loan Margin Adjustment to be applied in accordance with clause 10.2 (*Green Loan Margin Adjustment*);
 - (ii) attach a correct and complete copy of the annual non-financial disclosure report prepared by the Borrower and, in respect of the financial year ending 31 December 2024 and each subsequent financial year, reviewed and verified by the External Reviewer setting out the Borrower's green loan-related information for the relevant financial year in sufficient detail for the Lenders to assess whether the Green Loan

Criteria have been complied with by the Borrower during that financial year (**aGreen Loan Report**);

- (iii) ensure that each Green Loan Report includes the following items, based on and subject to availability of any relevant data: installed capacity in MW or annual renewable generation (MWh) and, if feasible, CO2 emissions saved; number of installed wind turbines; fuel consumption and/or CO2 emissions; and other relevant emissions such as Sox and Nox, PM; and
 - (iv) confirm that the Green Loan Report relating to the relevant financial year and attached to the Green Loan Compliance Certificate is a correct and complete copy of the original and has not been amended or superseded as at the date of the Green Loan Compliance Certificate.
- (d) Each Pre-Utilisation Green Loan Compliance Certificate shall comply with paragraph (c) above except that references to historical data or prior periods shall be deemed to be data in respect of, or references to, the 12 month period ending on the date of submission of the Pre-Utilisation Green Loan Compliance Certificate.
 - (e) Each Green Loan Compliance Certificate shall be signed by two directors of the Borrower.
 - (f) Each Obligor shall supply to the Agent a copy of any amendments to or updated versions of the Green Finance Second Party Opinion immediately upon receipt from the External Reviewer.

21.17 Green Loan Compliance Certificate Inaccuracy

- (a) The Borrower shall notify the Agent upon becoming aware of any inaccuracy in a Green Loan Compliance Certificate (**aGreen Loan Compliance Certificate Inaccuracy**). Such notice shall be provided together with:
 - (i) a description (in reasonable detail) of the relevant Green Loan Compliance Certificate Inaccuracy; and
 - (ii) a revised Green Loan Compliance Certificate which complies with the requirements of paragraphs (c) or (as applicable) (d) of clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*) and which corrects the relevant Green Loan Compliance Certificate Inaccuracy.
- (b) Notwithstanding any other provision of this clause 21.17, a Green Loan Compliance Certificate Inaccuracy shall not constitute a Default or an Event of Default.

21.18 Green Loan Information

- (a) The Borrower shall supply to the Agent within a reasonable time any additional information which any Lender (through the Agent) or EIFO (through the EIFO Agent) may reasonably request in order to:
 - (i) determine and confirm if the Green Loan Criteria have been complied with by the Borrower; or
 - (ii) otherwise determine a Group Member's compliance with its obligations under any Green Loan Provision.
- (b) The Borrower shall notify the Agent within a reasonable time:
 - (i) of becoming aware that an External Reviewer has threatened to terminate its appointment, or that an External Reviewer's appointment has been terminated; and
 - (ii) of the appointment of any successor External Reviewer.

- (c) The Parties acknowledge and agree that the Agent, the Lenders and EIFO may rely, without independent verification, upon the accuracy, adequacy and completeness of the Green Loan Information, and that neither the Agent, the Lenders nor EIFO:
 - (i) assumes any responsibility or has any liability for the Green Loan Information;
or
 - (ii) has an obligation to conduct any appraisal of any Green Loan Information.

22 Financial covenants

22.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 22 will be complied with throughout the Facility Period.

22.2 Financial definitions

In this clause 22:

Cash and Cash Equivalents means at any relevant time:

- (a) cash in hand or on deposit with any bank;
- (b) Cash Equivalent Investments;
- (c) any undrawn and available amounts under any committed revolving and overdraft credit facilities (including the Revolving Facilities); and
- (d) any other instrument, security or investment approved by the Majority Lenders,

which is free from any Security Interest (with the exception of any Account Security relating to an Earnings Account unless an Event of Default is continuing) and/or restrictions and to which any Group Member is beneficially entitled at that time and which are readily available to Group Members and capable of being applied against Financial Indebtedness, as demonstrated by the then most recent Financial Statements.

Cash Equivalent Investments means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
 - (iii) which matures within one year after the relevant date of calculation;
and
 - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service

Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and noncredit enhanced debt obligations, an equivalent rating;

- (d) any investment in money market funds which:
 - (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; and
 - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above, to the extent that investment can be turned into cash on not more than 30 days' notice; or
- (e) any stocks payable in a freely convertible and transferable currency and which are listed on a stock exchange acceptable to the Majority Lenders.

EBITDA means, at any time and in respect of any Measurement Period, the consolidated profit on ordinary activities of the Group before taxation for the twelve month period ending at the end of such Measurement Period, but:

- (a) adjusted to exclude interest receivable and interest payable and other similar income or costs to the extent not already excluded;
- (b) adjusted to exclude any gain or loss realised on the disposal of fixed assets (whether tangible or intangible);
- (c) after adding back depreciation and amortisation charged which relates to such period;
- (d) adjusted to exclude any exceptional, one-off, non-recurring or extraordinary items; and
- (e) after deducting any profit arising out of the release of any provisions against a liability or charge and adding back any provision relating to long term assets or contracts,

as shown in the then most recent Financial Statements relevant to the twelve month period ending at the end of such Measurement Period.

Equity Ratio means, at any relevant time and in relation to a Measurement Period, the ratio of (a) the Shareholders' Equity to (b) Total Assets.

Financial Statements means any of the Annual Financial Statements and/or the Semi-Annual Financial Statements referred to and defined as such in clause 21 (*Information undertakings*).

Gross Interest Bearing Debt means, at any relevant time, the interest bearing debt of the Group calculated on a consolidated basis as set out in the then most recent Financial Statements.

Measurement Period means each Financial Year of the Borrower and the first half year of each Financial Year of the Borrower for which Financial Statements are to be delivered to the Agent under clause 21.3 (*Financial statements*).

Net Interest Bearing Debt means, at any relevant time and in respect of a Measurement Period, the Gross Interest Bearing Debt minus Cash and Cash Equivalents, each as set out in the then most recent Financial Statements relevant to such Measurement Period.

Shareholders' Equity means, at any time and in relation to a Measurement Period, the "total shareholders' equity" for the Group shown (on the basis of book values) in the then most recent Financial Statements relevant to such Measurement Period.

Total Assets means, at any time and in relation to any Measurement Period, the aggregate of "total assets" of the Group as shown (on the basis of book values) in the then most recent Financial Statements relevant to such Measurement Period.

Working Capital means, at any time, the current assets less the current liabilities of the Group, each as shown in, and calculated in accordance with, the then most recent Financial Statements, but, adjusted by:

- (a) not including in "current assets" any "restricted cash" and including in "current assets" any undrawn and available amount of any committed loan or credit facility; and
- (b) not including in "current liabilities" (i) advance payments received under charter commitments which are classified as "current liabilities" under GAAP, (ii) "restricted cash" related to derivatives exposure already adjusted for under "current assets" or (iii) any "Current portion of long-term interest bearing debt" liabilities,

each as shown in the then most recent Financial Statements relevant to such Measurement Period.

22.3 Financial condition

The Borrower shall ensure that throughout the Facility Period:

- (a) **Equity Ratio:** at all times during and in respect of each Measurement Period, the Equity Ratio shall be higher than 0.35:1.0;
- (b) **Liquidity:** the Group (on a consolidated basis) maintains at all times Cash and Cash Equivalents which are at all times not less than:
 - (i) if at any relevant time the ratio of (1) the total forward-looking anticipated cash revenues of the Group from all legally binding and committed contracts for all the Fleet Vessels for a Measurement Period excluding all options and conditional or contingent payments (other than being conditional on performance of the relevant Obligor's or Group Member's obligations under such charter commitments) and adjusted on a full cash basis by excluding any part of the revenue already paid (as the same is calculated by the Borrower to the satisfaction of the Agent) to (2) Net Interest Bearing Debt for the same Measurement Period is equal to or higher than 50%, the higher of €35,000,000 and 5% of the Gross Interest Bearing Debt; and
 - (ii) at all other times, the higher of €50,000,000 and 7.5% of the Gross Interest Bearing Debt; and
- (c) **Working Capital:** at all times during and in respect of each Measurement Period, the Working Capital shall be higher than zero (0).

22.4 Financial testing

The financial covenants set out in clause 22.3 (*Financial condition*) shall be calculated in accordance with GAAP and tested by reference to each of the consolidated financial statements of the Borrower delivered pursuant to clause 21.3 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to clause 21.4 (*Provision and contents of Compliance Certificate*).

23 General undertakings

23.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 23 will be complied with by and in respect of each Obligor and each other Group Member throughout the Facility Period.

23.2 Use of proceeds

The proceeds of each Utilisation shall be used exclusively for the purposes specified in clause 3 (*Purpose*) and, if requested by the Agent, the Borrower shall promptly provide to the Agent any supporting evidence requested to verify that the proceeds are being used for the financing of Green Assets.

23.3 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

- (i) enable it to perform its obligations under the Finance Documents;
- (ii) ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document; and
- (iii) carry on its business where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

23.4 Compliance with laws

Each Obligor shall (and shall ensure that each other Group Member will), comply in all respects with all laws and regulations (including Environmental Laws) to which it may be subject where failure to comply is reasonably likely to have a Material Adverse Effect.

23.5 Anti-corruption law

- (a) No Obligor shall (and shall ensure that no other Group Member will) directly or indirectly use the proceeds of the Facilities for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.
- (b) Each Obligor shall (and shall ensure that each other Group Member will):
 - (i) conduct its businesses in compliance with applicable anti-corruption laws; and
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

23.6 Tax compliance

- (a) Each Obligor shall (and shall ensure that each other Group Member will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under clause 21.3 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld.
- (b) Except as approved by the Majority Lenders, each Obligor shall maintain its residence for Tax purposes in the jurisdiction in which it is incorporated and ensure that it is not resident for Tax purposes in any other jurisdiction.

23.7 Change of business

Except as approved by the Lenders and EIFO (each such approval not to be unreasonably withheld or delayed), no substantial change will be made to the general nature of the business of the Borrower, the Obligors or the Group taken as a whole from that carried on at the date of this Agreement.

23.8 Listing

The common shares of the Borrower shall remain listed on the Oslo Stock Exchange and the New York Stock Exchange or such other stock exchange acceptable to the Majority Lenders and EIFO.

23.9 Merger and Permitted Reorganisation

- (a) Subject to paragraphs (b), (c) and (d) below and except as approved by all the Lenders and EIFO, no Obligor shall (and the Obligors shall ensure that no other Group Member will) enter into any amalgamation, demerger, merger, consolidation, redomiciliation, legal migration or corporate reconstruction (other than the solvent liquidation of any Group Member which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other Group Members).
- (b) The Borrower (and each relevant Group Member) may enter into the Merger provided that each of the Target Guarantors have or will, with effect from the Closing Date, become an Additional Guarantor in accordance with the terms of clause 36.5 (*Additional Guarantors*).
- (c) In the case of the Borrower only, the Borrower may enter into an amalgamation, demerger, merger, consolidation, redomiciliation, legal migration or corporate reconstruction if:
 - (i) it is to be the surviving entity of such action;
 - (ii) such action does not and would not be reasonably likely to cause a Material Adverse Effect; and
 - (iii) no Default exists at the time of such action or would result from the same.
- (d) Subject to paragraphs (e) and (f) below, the Permitted Reorganisation is permitted and the Borrower shall procure that the Permitted Reorganisation is completed in an approved manner by no later than the date falling 12 months from the Closing Date.
- (e) To the extent that any shareholder of any Target Guarantor is dissolved as part of the Permitted Reorganisation, the Borrower shall procure that the new shareholder(s) of all of the shares in such Target Guarantor are Guarantors and shall execute Share Security in respect of that Target Guarantor in favour of the Security Agent and deliver to the Security Agent any ancillary documents required under or in connection with the Share Security, together with any documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in respect of such Share Security (at the cost and expense of the Borrower), on the date that the Permitted Reorganisation is completed in accordance with paragraph (d) above.
- (f) To the extent that any of the Permitted Reorganisation Subsidiaries are not dissolved as part of the Permitted Reorganisation, the Borrower shall procure that such Permitted Reorganisation Subsidiary becomes an Additional Guarantor in accordance with the terms of clause 36.5 (*Additional Guarantors*) and that the shareholder(s) of all of the shares in such Permitted Reorganisation Subsidiary shall execute Share Security in respect of that Permitted Reorganisation Subsidiary in favour of the Security Agent and deliver to the Security Agent any ancillary documents required under or in connection with the Share Security, together with any documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in respect of such Share Security (at the cost and expense of the Borrower), on the date that the Permitted Reorganisation is completed in accordance with paragraph (d) above.

23.10 Further assurance

- (a) Each Obligor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Agent or the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the Security Interests created or intended to be created by that Obligor under, or evidenced by, the Security Documents (which may include the execution of a mortgage, charge, assignment or other security over all or any of the assets which are, or are intended to be, the subject of the Security Documents) or to protect or ensure the priority of such Security Interests or for the exercise of any rights, powers and remedies of the Security Agent and/or any other Finance Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) to confer on the Security Agent and/or any other Finance Parties Security Interests over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security Interest intended to be conferred by or pursuant to the Security Documents;
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Documents; and/or
 - (iv) to facilitate the accession by a New Lender to any Security Document following an assignment in accordance with clause 35.1 (*Assignments by the Lenders*).
- (b) Each Obligor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security Interest (or the priority of any Security Interest) conferred or intended to be conferred on the Security Agent and/or any other Finance Parties by or pursuant to the Finance Documents.

23.11 Negative pledge in respect of Charged Property

- (a) Except as approved by the Lenders and for Permitted Security Interests, no Obligor will grant or allow to exist any Security Interest over any Charged Property (and, in respect of any Charged Property, such undertaking shall be effective on and from the first Utilisation Date).
- (b) No Obligor will grant or allow to exist any Security Interest over any of the shares in any of the Owners or any other Guarantors or over any of the rights deriving from or related to such shares (and, in respect of any Charged Property, such undertaking shall be effective on and from the first Utilisation Date).
- (c) Each Obligor will procure that all of the shares of or in all of the Obligors will be in registered form (and not in bearer form) at all times.

23.12 Environmental matters

- (a) The Obligors will notify the Agent as soon as reasonably practicable of any Environmental Claim being made against any Group Member or any Fleet Vessel which has, or is reasonably likely to have, a Material Adverse Effect and of any Environmental Incident which may give rise to such a claim and will be kept regularly and promptly informed in reasonable detail of the nature of, and response to, any such Environmental Incident and the defence to any such claim.
- (b) The Obligors will procure that all Environmental Laws (and any consents, licences or approvals obtained under them) applicable to Fleet Vessels will not be violated in a way which has, or is reasonably likely to have, a Material Adverse Effect.

- (c) The Obligors undertake to implement a safe, sustainable and socially responsible corporate policy with respect to dismantling the Mortgaged Ships and any other vessels owned or controlled in the Group within 6 months from the date of this Agreement.
- (d) Each Obligor will procure that the environmental and social matters requirements set out at Schedule 15 *EIFO Guarantee Policy - Environmental and social matters* (which form part of the EIFO Guarantee Policy and are set out in paragraph 8 of the Appendix *Special Terms and Conditions*) forming part of the EIFO Guarantee Policy) are complied with and to the extent that there is any conflict between the provisions set out in Schedule 15 (*EIFO Guarantee Policy - Environmental and social matters*) and the terms of this Agreement, the provisions set out in Schedule 15 (*EIFO Guarantee Policy - Environmental and social matters*) shall prevail.

23.13 Sanctions

- (a) No Obligor shall, and each Obligor shall ensure that no other Group Member nor any of their respective directors or officers shall, and the Obligors shall use reasonable endeavours to procure that none of their respective employees shall, take any action, make any omission or use (directly or indirectly) any proceeds of the Loans (or lend, contribute or otherwise make available all or any part of such proceeds to any person) in a manner that:
 - (i) is a breach of Sanctions; and/or
 - (ii) causes (or will cause or would reasonably be expected to cause) a breach of Sanctions by any Finance Party.
- (b) No Obligor shall (and each Obligor shall ensure that no other Group Member nor any of their respective, directors and officers shall) take any action or make any omission that results, or is reasonably likely to result, in it or any Finance Party becoming a Restricted Party.
- (c) Each Obligor shall ensure that it shall not use any revenue or benefit derived from any activity or dealing with a Restricted Party for the purpose of discharging amounts owing to any Finance Party in respect of the Facilities.

23.14 EIFO requirements

No Obligor shall act (or omit to act) in a manner that is inconsistent with any requirement of EIFO under or in connection with the EIFO Guarantee Policy and, in particular:

- (a) each Obligor shall do all that is necessary to ensure that all requirements of EIFO under or in connection with the EIFO Guarantee Policy are complied with including, for the avoidance of doubt, the environmental and social matters requirements set out at Schedule 15 (*EIFO Guarantee Policy - Environmental and social matters*) (which form part of the EIFO Guarantee Policy and are set out in paragraph 8 of the Appendix (*Special Terms and Conditions*) forming part of the EIFO Guarantee Policy) and to the extent that there is any conflict between the provisions set out in Schedule 15 (*EIFO Guarantee Policy - Environmental and social matters*) and the terms of this Agreement, the provisions set out in Schedule 15 (*EIFO Guarantee Policy - Environmental and social matters*) shall prevail; and
- (b) each Obligor will refrain from acting in any manner which could result in a breach of any requirements of EIFO under or in connection with the EIFO Guarantee Policy or affect the validity of them.

23.15 EIFO Guarantee Policy protection

- (a) If at any time in the opinion of the EIFO Agent, any provision of a Finance Document contradicts or conflicts with any provision of the EIFO Guarantee Policy, the Borrower will:
 - (i) take all steps as the Agent, the EIFO Agent and/or EIFO shall require to remove such contradiction or conflict; and

- (ii) take all steps as the Agent, the EIFO Agent and/or EIFO shall require to ensure that the EIFO Guarantee Policy remains in full force and effect.
- (b) Upon the request of the Agent, the Borrower shall promptly take any action reasonably required by the Agent to assist the EIFO Agent with any claim that is made or intended to be made by a Lender under the EIFO Guarantee Policy.

23.16 Inspection by EIFO

The Borrower undertakes that, upon the request of the EIFO Agent (acting on the instructions of EIFO), it shall provide EIFO or any of its representatives, professional advisors and contractors with access to, and permit inspection of, its premises, assets, books, accounts and records, in each case at reasonable times and upon reasonable notice.

23.17 Declassification Event

- (a) On and at any time after the occurrence of a Declassification Event the Agent may, and shall if so directed by all the Lenders and EIFO, by notice to the Borrower declassify each Facility as a "green facility".
- (b) With effect on and from the Declassification Date:
 - (i) clause 10.2 (*Green Loan Margin Adjustment*) and each Green Loan Provision shall cease to apply; and
 - (ii) no Green Loan Margin Adjustment will apply to the Loans or the Facilities.
- (c) If a Voluntary Declassification Event occurs, the Facilities may not be re-classified as "green facilities" on or after the applicable Declassification Date except with the prior written approval of all the Lenders.
- (d) If a Mandatory Declassification Event occurs:
 - (i) clause 10.2 (*Green Loan Margin Adjustment*) and each Green Loan Provision shall cease to apply; and
 - (ii) no Green Loan Margin Adjustment will apply to the Loans or the Facilities,

provided that the Green Loan Margin Adjustment and the Green Loan Provisions shall be reinstated within 10 Business Days (and the Green Loan Margin Adjustment applied in accordance with clause 10.2 (*Green Loan Margin Adjustment*)) following the Borrower's delivery of a Green Loan Compliance Certificate evidencing compliance with the Green Loan Criteria.

23.18 Green Loan publicity

The Borrower shall not (and shall ensure that no other Group Member will) make any disclosure that references the Facilities or the Loans as "green facilities" at any time on or after a Declassification Event that has occurred and is continuing.

23.19 People with Significant Control (PSC) regime

Each Obligor and each other Group Member shall:

- (a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any Obligor incorporated in the United Kingdom; and
- (b) promptly provide the Agent with a copy of that notice.

24 Upgrade period

24.1 Undertaking to comply

The Borrower and each Original Owner undertakes that this clause 24 will be complied with in relation to each Existing Ship and each Upgrade Contract in respect of that Existing Ship throughout the period from the date of this Agreement until the earlier of the Redelivery of that Existing Ship, the end of the Facility Period and the cancellation of the Facility C Ship Commitment for that Existing Ship and payment of all amounts required by this Agreement to be paid to the Finance Parties upon such cancellation.

24.2 Progress and information

Upon the Agent's or the Security Agent's request, the relevant Owner shall advise the Agent or (as the case may be) the Security Agent of the progress and status of the Upgrade of the Existing Ship and supply the Agent or (as the case may be) the Security Agent with such other information as the Agent or (as the case may be) the Security Agent may require about the Upgrade of the Existing Ship or any of the Upgrade Contract Documents.

24.3 Arbitration under Upgrade Contract

The relevant Owner shall promptly notify the Agent:

- (a) if either party begins an arbitration under any Upgrade Contract;
- (b) of the identity of the arbitrators; and
- (c) of the conclusion of the arbitration and the terms of any arbitration award.

24.4 Material changes

The relevant Owner shall ensure that no material changes are made to any Upgrade Contract prior to Redelivery without the prior written consent of the Majority Lenders and EIFO.

24.5 Notification of certain events

The relevant Owner shall notify the Agent immediately if either party cancels, rescinds, repudiates or otherwise terminates any Upgrade Contract (or purports to do so) or rejects the Existing Ship (or purports to do so) or if the Existing Ship becomes a Total Loss or partial loss or is materially damaged or if a dispute arises under any Upgrade Contract.

25 Dealings with Ship

25.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 25 will be complied with in relation to each Mortgaged Ship throughout the relevant Ship's Mortgage Period. Where a Mortgaged Ship is subject to a Bareboat Charter, all undertakings in this clause 25 given by the relevant Owner will be deemed to also be given by the relevant Bareboat Charterer under such Bareboat Charter.

25.2 Ship's name and registration

- (a) The Ship's name shall only be changed after prior notice to the Agent and, the relevant Owner shall promptly take all necessary steps to update all applicable insurance, class and registration documents with such change of name.
- (b) The Ship shall be permanently registered in the name of the relevant Owner with the relevant Registry under the laws of its Flag State. Except with approval of all the Lenders and EIFO, the Ship shall not be registered under any other flag or at any other port or fly any other flag

(other than that of its Flag State as at the date of this Agreement) provided that no such approval shall be required for the registration of the Ship under the flag of another Approved Flag State as long as replacement Security Interests are granted in respect of that Ship (which are, in the opinion of the Lenders, equivalent to those in place prior to such registration) in favour of the Finance Parties immediately following the registration of such Ship under the flag of that Approved Flag State and at the cost and expense of the Borrower. If that registration is for a limited period, it shall be renewed at least 45 days before the date it is due to expire and the Agent shall be notified of that renewal at least 30 days before that date.

- (c) Nothing will be done and no action will be omitted if that might result in such registration being forfeited or imperilled or the Ship being required to be registered under the laws of another state of registry.
- (d) The Ship, if subject to a Bareboat Charter, may be registered under a parallel registration regime following approval of such parallel registration regime and relevant applicable jurisdictions by the Majority Lenders provided that the Majority Lenders (acting reasonably) are satisfied that prior to such registration:
 - (i) the Finance Parties' interests under the Finance Documents (including the relevant Mortgages and other Transaction Security) are not adversely affected by such parallel registration;
 - (ii) any amendments to the Finance Documents have been entered into by the Obligors and such documents of the type referred to in Schedule 3 (*Conditions precedent*) in respect of such amendments have been delivered by the Borrower to the Agent, as may be required by the Majority Lenders in their reasonable discretion; and
 - (iii) the Lenders have received satisfactory legal opinions from all relevant jurisdictions in respect of such parallel flagging and the impact it may have on the Security Documents and the Finance Parties' interests under the Finance Documents.

25.3 Sale or other disposal of Ship

Except:

- (a) with approval of all the Lenders and EIFO;
- (b) for a sale of a Mortgaged Ship which is not the last remaining Mortgaged Ship under this Agreement, for a cash price payable on completion of the sale which is no less than the amount by which the Loans and other amounts under the Hedging Contracts and the Ancillary Facilities must be prepaid or otherwise paid under clause 8.8 (*Sale or Total Loss*) and provided no Event of Default is continuing; or
- (c) for the sale of a Mortgaged Ship which is the last remaining Mortgaged Ship under this Agreement, for a cash price payable on completion of the sale which is no less than the amount required to discharge all outstanding obligations of the Obligors under the Finance Documents or where all Finance Parties are satisfied (in their sole discretion) that all outstanding obligations of the Obligors under the Finance Documents shall be so discharged on completion of the sale and in each case provided no Event of Default is continuing,

the relevant Owner will not sell, transfer, abandon or otherwise dispose of the relevant Ship or any share or interest in the Ship, or agree to do so, but the Owner may enter into an agreement for the sale of its Ship if the Borrower is otherwise in compliance with this clause 25.3.

25.4 Manager

A manager of the Ship shall not be appointed unless that manager is the Borrower or any other Group Member who, in any such case, is a Bareboat Charterer of such Ship and a Guarantor, or such other person has been approved by the Majority Lenders (such approval not to be

unreasonably withheld or delayed) and unless the terms of its appointment are approved by the Majority Lenders and (unless that manager is a Guarantor) it has delivered a duly executed Manager's Undertaking to the Security Agent. The relevant Owner shall not agree to any change to the terms of appointment of a manager (including any Management Agreement) which have been approved unless such change is also approved.

25.5 Copy of Mortgage on board

A properly certified copy of the Ship's Mortgage (or, in the case of a Mortgage under Danish law which is in digitalised form, an apostilled certificate of registration (Da: *Registreringsattest*) confirming the Mortgage and a certificate from the Danish Maritime Authority containing an exact replica of the registered letter of indemnity regarding the vessel (Da: *Eksakt gengivelse af registreret digitalt skadesløsbrev i skib*)) shall be kept on board the Ship with its papers and shown to anyone having business with the Ship which might create or imply any commitment or Security Interest over or in respect of the Ship (other than a lien for crew's wages and salvage) and to any representative of the Agent or the Security Agent.

25.6 Notice of Mortgage

A framed printed notice of the Ship's Mortgage shall be prominently displayed in the navigation room and in the Master's cabin of the Ship. The notice must be in plain type and read as follows:

"NOTICE OF MORTGAGE

This Ship is subject to a First Mortgage in favour of [here insert name of mortgagee] of [here insert address of mortgagee]. Under the said mortgage and related documents, neither the Owner nor any charterer nor the Master of this Ship has any right, power or authority to create, incur or permit to be imposed upon this Ship any commitments or encumbrances whatsoever other than for crew's wages and salvage.

No-one will have any right, power or authority to create, incur or permit to be imposed upon the Ship any lien whatsoever other than for crew's wages and salvage."

25.7 Conveyance on default

Where the Ship is (or is to be) sold in exercise of any power conferred by the Security Documents, the relevant Owner shall, upon the Security Agent's request, immediately execute such form of transfer of title to the Ship as the Security Agent may require.

25.8 Chartering

- (a) Except with approval by the Majority Lenders and EIFO, the relevant Owner shall not enter into any charter commitment for a Ship (other than an Initial Bareboat Charter, any other Bareboat Charter (excluding a JV Bareboat Charter) in accordance with paragraph (b) below or a JV Bareboat Charter in accordance with paragraph 25.8(c) below); and the relevant Owner shall procure that any Bareboat Charterer (as disponent owners) shall not enter into any charter commitment for a Ship (other than, in the case of Ship D only, the relevant Initial Bareboat Charter), which is:
- (i) a bareboat or demise charter or passes possession and operational control of the Ship to another person;
or
 - (ii) to another Group Member.
- (b) The relevant Owner may enter into a Bareboat Charter for a Ship other than the Initial Bareboat Charter for such Ship provided that:
- (i) the terms of such Bareboat Charter are substantially the same as those of the Initial Bareboat Charter or are approved by the Majority Lenders (such approval not to be unreasonably withheld);

- (ii) such Bareboat Charter provides for a level of charter hire which, for the entire tenor of the same, is not less than the relevant Minimum Bareboat Charter Hire;
 - (iii) the Bareboat Charterer in respect of such Bareboat Charter is the Borrower or a wholly-owned (direct or indirect) Subsidiary of the Borrower;
 - (iv) where such Bareboat Charter is with a Group Member that is not a Guarantor, such Group Member has become an Additional Guarantor in accordance with the terms of clause 36.5 (*Additional Guarantors*); and
 - (v) each of the additional requirements set out in paragraph (d) below are complied with.
- (c) The relevant Owner may enter into a bareboat charter in respect of the Ship with a bareboat charterer which is a joint venture local entity (**aJV Bareboat Charter**) where this is required by local law to operate such Ship in a specific jurisdiction and provided that:
- (i) the terms of such JV Bareboat Charter are substantially the same as those of the Initial Bareboat Charter or are approved by the Majority Lenders (such approval not to be unreasonably withheld);
 - (ii) such JV Bareboat Charter provides for a level of hire which, for the entire tenor of the same, is not less than the relevant Minimum Bareboat Charter Hire;
 - (iii) the Borrower owns legally and beneficially (directly or indirectly) no less than 51% of each of the issued share capital and the voting share capital in, and has control over, the Bareboat Charterer under such JV Bareboat Charter;
 - (iv) where such JV Bareboat Charter is with a Group Member that is not already a Guarantor, such Group Member has become an Additional Guarantor in accordance with the terms of clause 36.5 (*Additional Guarantors*); and
 - (v) the Owner (at the cost and expense of the Borrower) provides or procures the provision by the Bareboat Charterer of such JV Bareboat Charter and such other documents and evidence and security in respect of such charter as the Agent (acting on the instructions of the Majority Lenders in their sole discretion) shall require.
- (d) Further, without prejudice to the rights of the Finance Parties under the provisions of paragraph (a), (b) or (c) above and any other provisions of the Finance Documents, the relevant Owner shall advise the Agent and the EIFO Agent promptly of any Bareboat Charter or Charter in respect of its Ship (other than the Initial Bareboat Charter for such Ship) entered into by the Owner or the Bareboat Charterer as disponent owner of such Ship, and the relevant Owner shall:
- (i) deliver a copy of each such Bareboat Charter or, to the extent that such disclosure does not constitute a breach of the relevant Charter, a description of the main terms of each such Charter to the Agent and the EIFO Agent forthwith after its execution;
 - (ii) in the case of a Bareboat Charter where the Bareboat Charterer has not already provided a General Assignment, forthwith thereafter procure that the Bareboat Charterer executes a General Assignment in favour of the Security Agent;
 - (iii) in the case of a Bareboat Charter, forthwith thereafter execute any notice of assignment required in connection therewith pursuant to the Owner's General Assignment, serve such notice of assignment on the relevant Bareboat Charterer and obtain an acknowledgement of such notice by such Bareboat Charterer (and for the avoidance of doubt the Agent may, and shall if so directed by the Majority Lenders, serve any such notice of assignment on the relevant Bareboat Charterer under such Bareboat Charter in a timely manner);

- (iv) in the case of a Charter (and any Charter Guarantee in respect of such Charter) and provided that an assignment of the Earnings of such Charter or such Charter Guarantee (as applicable) will not constitute a breach of such Charter or such Charter Guarantee (but without prejudice to the requirements of paragraph (e) below), forthwith thereafter execute or procure that the relevant Bareboat Charterer execute any notice of assignment of the Earnings of such Charter and such Charter Guarantee required in connection therewith pursuant to the Owner's or Bareboat Charterer's General Assignment, as applicable;
 - (v) in the case of a Charter (and any Charter Guarantee in respect of such Charter) and provided that an assignment of the Earnings of such Charter or such Charter Guarantee (as applicable) will not constitute a breach of such Charter or such Charter Guarantee (but without prejudice to the requirements of paragraph (e) below), forthwith thereafter, serve or procure the service of any such notice of assignment of the Earnings of such Charter and such Charter Guarantee by the relevant Bareboat Charterer on the relevant Charterer under such Charter and on the relevant Charter Guarantor under such Charter Guarantee, and:
 - (A) unless paragraph (B) below applies, use its reasonable endeavours to procure the receipt of the acknowledgement of such notice by such Charterer and such Charter Guarantor; or
 - (B) where a Quiet Enjoyment Agreement has been or will be entered into in respect of such Charter, procure the receipt of the acknowledgement of such notice by such Charterer and such Charter Guarantor forthwith,(and for the avoidance of doubt if the relevant Owner or Bareboat Charterer fails to give such notice within a reasonable time, the Agent may, and shall if so directed by the Majority Lenders, serve any such notice of assignment on the relevant Charterer under such Charter and on the relevant Charter Guarantor under such Charter Guarantee in a timely manner);
 - (vi) deliver to the Agent and the EIFO Agent such documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*), in relation to any such General Assignment or any other related matter referred to in this clause 25.8(d), as the Agent (acting on the instructions of the Majority Lenders in their reasonable discretion) shall require; and
 - (vii) pay on the Agent's demand all legal costs and other costs (pre-approved by the Borrower, such approval not to be unreasonably withheld or delayed) of the Agent and/or the EIFO Agent and/or EIFO and/or the Security Agent in connection with or in relation to any such Charter, Bareboat Charter or General Assignment or any other related matter referred to in this clause 25.8(d).
- (e) Notwithstanding any other provision in this Agreement, the relevant Owner shall, and shall procure that any relevant Bareboat Charterer shall:
- (i) unless paragraph (ii) below applies, use commercially reasonable efforts to procure that:
 - (A) any Charter (and any Charter Guarantee in respect of such Charter) entered into by such Owner or Bareboat Charterer following the date of this Agreement is governed by English law and that its Earnings are freely assignable by the relevant Owner or Bareboat Charterer (as applicable) to the Security Agent, without the need for the relevant Charterer's or relevant Charter Guarantor's (as applicable) consent; or
 - (B) the main terms of any such Charter (and any Charter Guarantee in respect of such Charter) can be disclosed by the relevant Owner or Bareboat Charterer

(as applicable) to the Finance Parties in accordance with the terms of this Agreement; and

- (ii) where a Charterer in respect of any Charter entered into by such Owner or Bareboat Charterer following the date of this Agreement requires that a quiet enjoyment agreement be entered into as a condition to permitting the Mortgage over the relevant Ship and/or to an assignment of such Charter's Earnings, procure that, subject to the entry into the relevant Quiet Enjoyment Agreement, the Earnings under such Charter and Charter Guarantee are freely assignable.
- (f) Without prejudice to the provisions of paragraph (e) above, where any charterer in respect of a charter commitment (other than a Bareboat Charter) to be entered into by the Owner or Bareboat Charterer following the date of this Agreement requires a quiet enjoyment agreement as a condition to permitting the Mortgage over the relevant Ship (and/or to the assignment of the Earnings under such charter commitment if it is a Charter), the Borrower shall, as soon as reasonably practicable after becoming aware of such requirement and in any event prior to the entry into such charter commitment, inform the Agent of such requirement.
- (g) Notwithstanding any term of any Quiet Enjoyment Agreement, any costs or expenses arising out of or in connection with any Quiet Enjoyment Agreement shall be paid by the Borrower in accordance with clause 18 (*Costs and expenses*).

25.9 Lay up

Except with approval, the Ship shall not be laid up cold.

25.10 Sharing of Earnings

Except with approval, the relevant Owner shall not enter into any arrangement under which its Earnings from the Ship may be shared with anyone else.

25.11 Payment of Earnings

- (a) The relevant Owner's Earnings from the Ship shall be paid in the way required pursuant to clause 29.6 (*Payment of charter earnings*).
- (b) If any Earnings are held by brokers or other agents, they shall be paid to the Security Agent or the Agent (as the case may be), if it requires this after the Earnings have become payable to it pursuant to clause 29.6 (*Payment of charter earnings*).

25.12 Inventory of Hazardous Materials

An Inventory of Hazardous Materials shall be maintained in relation to the Ship provided that if such certificate is not available at the start of the Ship's Mortgage Period, an Inventory of Hazardous Material will be obtained at the next dry-docking of the Ship.

25.13 Sustainable and socially responsible dismantling of Ships

Each Ship, each Fleet Vessel and any other vessel controlled by the Group will, when it is to be scrapped or when sold to an intermediary with the intention of being scrapped, be recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner in accordance with the provisions of The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships 2009 (whether or not it is in force) and, if applicable, the EU Ship Recycling Regulation and, if applicable, the Ship Recycling Facilities Regulations 2015.

25.14 Poseidon Principles

- (a) If applicable to the Ships, the Borrower shall, upon the request of the Agent (at the request of any Lender) and at the cost of the Borrower, on or before 31 July in each calendar year, supply or procure the supply to the Agent of all information necessary in order for that Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all vessel fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to the Ship for the preceding calendar year.
- (b) No Lender shall publicly disclose such information with the identity of the Ship without the prior written consent of the Borrower. Such information shall be “Confidential Information” for the purposes of clause 52 (*Confidential Information*) but the Borrower acknowledges that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender’s portfolio climate alignment.

26 Condition and operation of Ship

26.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 26 will be complied with in relation to each Mortgaged Ship throughout the relevant Ship’s Mortgage Period. Where a Mortgaged Ship is subject to a Bareboat Charter (or, as the case may be, Bareboat Charters), all undertakings in this clause 26 given by the relevant Owner will be deemed to also be given by each relevant Bareboat Charterer under the relevant Bareboat Charter.

26.2 Defined terms

In this clause 26 and in Schedule 3 (*Conditions precedent*):

applicable code means any code or prescribed procedures required to be observed by the Ship or the persons responsible for its operation under any applicable law (including but not limited to those currently known as the ISM Code and the ISPS Code).

applicable law means all laws and regulations applicable to vessels registered in the Ship’s Flag State or which for any other reason apply to the Ship or to its condition or operation at any relevant time.

applicable operating certificate means any certificates, vessel response plans, or other document relating to the Ship or its condition or operation required to be in force under any applicable law or any applicable code.

26.3 Repair

The Ship shall be kept in a good, safe and efficient state of repair. The quality of workmanship and materials used to repair the Ship or replace any damaged, worn or lost parts or equipment shall be sufficient to ensure that the Ship’s value is not reduced.

26.4 Modification

Except with approval, the structure, type or performance characteristics of the Ship shall not be modified in a way which could or might materially alter the Ship or materially reduce its value.

26.5 Removal of parts

Except with approval, no material part of the Ship or any equipment (except for equipment that is temporarily installed for the purpose of fulfilling a charterparty or employment contract) shall be removed from the Ship if to do so would materially reduce its value unless at the same time it is replaced with equivalent parts or equipment owned by the relevant Owner free of any Security Interest (except under the Security Documents) or such removal is a temporary removal of equipment which is to be repaired.

26.6 Third party owned equipment

Except with approval, equipment owned by a third party shall not be installed on the Ship if it cannot be removed without risk of causing damage to the structure or fabric of the Ship or incurring significant expense.

26.7 Maintenance of class; compliance with laws and codes

The Ship's class shall be the Ship's Classification with the relevant Classification Society. The Ship and every person who owns, operates or manages the Ship shall comply with all applicable laws and the requirements of all applicable codes. There shall be kept in force and on board the Ship or in such person's custody any applicable operating certificates which are required by applicable laws or applicable codes to be carried on board the Ship or to be in such person's custody.

26.8 Surveys

The Ship shall be submitted to continuous surveys and any other surveys which are required for it to maintain the Classification as its class. Copies of reports of those surveys shall be provided promptly to the Agent if it so requests.

26.9 Inspection and notice of dry-docking

The Agent and/or surveyors or other persons appointed by it for such purpose shall be allowed to board the Ship at all reasonable times (without interfering with the normal operations and trading of the Ship unless an Event of Default is continuing) to inspect it and given all proper facilities needed for that purpose but always provided that the Agent and/or such surveyors or other persons appointed by the Agent shall sign a waiver and/or hold harmless letter in such form provided by the Owner's insurers prior to boarding the Ship.

26.10 Discharge of liabilities

All debts, damages, liabilities and outgoing which have given, or may give, rise to maritime, statutory or possessory liens on, or claims enforceable against, the Ship, its Earnings or Insurances shall be promptly paid and discharged.

26.11 Release from arrest

The Ship, its Earnings and Insurances shall be released from any arrest, detention, attachment or levy, and any legal process against the Ship shall be discharged as soon as possible and in any event not later than 30 Business Days thereafter (or such longer period as may be approved), by whatever action is required to achieve that release or discharge.

26.12 Information about Ship

The Borrower shall give the Agent, within a reasonable time of its request, any additional information which it may reasonably require about the Ship or its employment, position, use or operation, including details of towages and salvages, and copies of all its charter commitments entered into by or on behalf of any Obligor and copies of any applicable operating certificates.

26.13 Notification of certain events

The Borrower shall give the Agent prompt notice of:

- (a) any damage to the Ship where the cost of the resulting repairs may exceed the Major Casualty Amount for such Ship;
- (b) any occurrence which may result in the Ship becoming a Total Loss;
- (c) any requisition of the Ship for hire;

- (d) any material Environmental Incident involving the Ship and any material Environmental Claim being made in relation to such an incident;
- (e) any withdrawal or threat to withdraw any applicable operating certificate which is material for the operation of the Ship and such operating certificate is not reinstated within 15 days;
- (f) if requested by the Agent, a copy of any operating certificate required under any applicable code;
- (g) the receipt of notification that any application for such a certificate which is material for the operation of the Ship has been refused and such operating certificate is not obtained within 15 days;
- (h) any requirement or recommendation made in relation to the Ship by any insurer or the Ship's Classification Society or by any competent authority which is not, or cannot be, complied with in the manner or time required or recommended; and
- (i) any arrest, hijacking or detention of the Ship or any exercise or purported exercise of a lien or other claim on the Ship or its Earnings or Insurances.

26.14 Payment of outgoings

All tolls, dues and other outgoings whatsoever in respect of the Ship and its Earnings and Insurances shall be paid promptly. Proper accounting records shall be kept of the Ship and its Earnings.

26.15 Repairers' liens

Except with approval, the Ship shall not be put into any other person's possession for work to be done on the Ship if the cost of that work will exceed or is likely to exceed the Major Casualty Amount for such Ship unless:

- (a) that person gives the Security Agent a written undertaking in approved terms not to exercise any lien on the Ship or its Earnings for any of the cost of such work; or
- (b) it is demonstrated to the Agent's reasonable satisfaction that funds will be available to meet the full cost of that work, whether from insurers or otherwise.

26.16 Lawful use

The Ship shall not be employed:

- (a) in any way or in any activity which is unlawful under international law or the domestic laws of any relevant country;
- (b) by or for the benefit of a Restricted Party;
- (c) in any trade to or from a Sanctioned Country;
- (d) in any trade which could expose any Ship, Obligor, Finance Party, Manager (provided that such Manager is not a Group Member), the crew or the insurers to enforcement proceedings or any other consequences whatsoever arising from Sanctions;
- (e) in carrying illicit or prohibited goods;
- (f) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated; or
- (g) if there are hostilities in any part of the world (whether war has been declared or not), in carrying contraband goods,

and the persons responsible for the operation of the Ship shall take all necessary and proper precautions to ensure that this does not happen, including participation in industry or other voluntary schemes available to the Ship and in which leading operators of vessels operating under the same flag or engaged in similar trades generally participate at the relevant time.

26.17 War zones

Except with approval, the Ship shall not enter or remain in any zone which has been declared a war zone by any government entity or the Ship's war risk insurers. If approval is granted for it to do so, any requirements of the Agent and/or the Ship's insurers necessary to ensure that the Ship remains properly insured in accordance with the Finance Documents (including any requirement for the payment of extra insurance premiums) shall be complied with.

27 Insurance

27.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 27 shall be complied with in relation to each Mortgaged Ship and its Insurances throughout the relevant Ship's Mortgage Period. Where a Mortgaged Ship is subject to a Bareboat Charter (or, as the case may be, Bareboat Charters), all undertakings in this clause 27 given by the relevant Owner will be deemed to also be given by each relevant Bareboat Charterer under the relevant Bareboat Charter.

27.2 Insurance terms

In this clause 27:

excess risks means the proportion (if any) of claims for general average, salvage and salvage charges not recoverable under the hull and machinery insurances of a vessel in consequence of the value at which the vessel is assessed for the purpose of such claims exceeding its insured value.

excess war risk P&I cover means cover for claims only in excess of amounts recoverable under the usual war risk cover including (but not limited to) hull and machinery, crew and protection and indemnity risks.

hull cover means insurance cover against the risks identified in paragraph (a) of clause 27.3 (*Coverage required*), including hull and machinery, hull interest and/or freight interest in such percentages as approved by the Lenders.

minimum hull cover means, in relation to a Mortgaged Ship, an amount equal at the relevant time to 110 per cent of such proportion of the aggregate of (a) the Active Facilities, (b) the Hedging Exposures of all of the Hedging Providers at that time and (c) the Ancillary Outstandings at that time, as is equal to the proportion which the market value such Mortgaged Ship bears to the aggregate of the market values of all of the Mortgaged Ships at the relevant time.

P&I risks means the usual risks (including liability for oil pollution, excess war risk P&I cover) covered by a protection and indemnity association which is a member of the International Group of protection and indemnity associations (or, if the International Group ceases to exist, any other leading protection and indemnity association or other leading provider of protection and indemnity insurance) (including, without limitation, the proportion (if any) of any collision liability not covered under the terms of the hull cover).

27.3 Coverage required

The Ship (including its hull and machinery, hull interest, freight interest, disbursements and/or increased value) shall at all times be insured at the Ship's Owner's cost:

- (a) against fire and usual marine risks (including excess risks) and war risks (including war protection and indemnity risks (including crew and terrorism risks, piracy and confiscation

risks)) on an agreed value basis, for the higher of its minimum hull cover and its market value (such calculation to include hull and machinery as well as hull interest and/or freight interest in such percentages as approved by the Lenders);

- (b) against P&I risks for the highest amount then available in the insurance market for vessels of similar age, size and type as the Ship (but, in relation to liability for oil pollution, for an amount of not less than \$1,000,000,000);
- (c) against such other risks and matters excluding loss of hire or Earnings which the Agent (acting on the instructions of all the Lenders) notifies it that it considers reasonable for a prudent shipowner or operator to insure against at the time of that notice; and
- (d) on terms which comply with the other provisions of this clause 27.

27.4 Placing of cover

The insurance coverage required by clause 27.3 (*Coverage required*) shall be:

- (a) in the name of the relevant Owner and any Bareboat Charterer and (in the case of the Ship's hull cover) no other person (other than the Security Agent (and any other Finance Party) if required by the Majority Lenders) (unless such other person is approved and, if so required by the Agent (acting on the instructions of the Majority Lenders), has duly executed and delivered a first priority assignment of its interest in the Ship's Insurances to the Security Agent (and any other Finance Party required by the Agent) in an approved form and provided such supporting documents and opinions in relation to that assignment as the Agent requires) provided, however, that where a Charterer (or any other charterer of the Ship that is not a Group Member) is co-assured under any such insurance coverage, they shall not be required to provide any such assignment of insurances but the relevant Owner shall, and shall procure that any relevant Bareboat Charterer shall, use reasonable endeavours to obtain a co-assured side letter from such Charterer in such form as is reasonably acceptable to the Agent and agreed by the Borrower before the date of this Agreement;
- (b) in euro or another approved currency;
- (c) arranged through approved brokers or direct with approved insurers or protection and indemnity or war risks associations with the relevant approved underwriters or insurers having in any event a minimum credit rating of:
 - (i) A- or higher by Standard & Poor's Rating Group, AM Best or Fitch Ratings or A3 or higher by Moody's Investors Service and registered Lloyd's syndicates; or
 - (ii) BBB- or higher (but below A-) by Standard Poor's Rating Group or Baa3 or higher (but below A3) by Moody's Investors Service (or equivalent ratings from AM Best or Fitch Ratings);
- (d) in full force and effect; and
- (e) on approved terms which (other than in respect of protection and indemnity insurance) shall be those contained in the latest version of the Nordic Marine Insurance Plan of 2013 full conditions or the Institute Time Clauses Hulls 1983, and with approved insurers or associations.

27.5 Mortgagee's insurance

The Borrower shall promptly reimburse to the Agent the cost (as conclusively certified by the Agent) of taking out and keeping in force in respect of the Ship and the other Mortgaged Ships on approved terms, or in considering or making claims under:

- (a) a mortgagee's interest insurance and a mortgagee's additional perils (pollution risks) cover for the benefit of the Finance Parties for a total amount of up to 120% of the aggregate of (i)

the Active Facilities, (ii) the Hedging Exposure of all the Hedging Providers at that time and (iii) the Ancillary Outstandings at that time; and

- (b) any other insurance cover which the Agent (acting on the instructions of the Majority Lenders) reasonably requires in respect of any Finance Party's interests and potential liabilities (whether as mortgagee of the Ship or beneficiary of the Security Documents).

27.6 Fleet liens, set off and cancellations

If the Ship's hull cover also insures other vessels, the Security Agent shall either be given an undertaking in approved terms by the brokers or (if such cover is not placed through brokers or the brokers do not, under any applicable laws or insurance terms, have such rights of set off and cancellation) the relevant insurers that the brokers or (if relevant) the insurers will not:

- (a) set off against any claims in respect of the Ship any premiums due in respect of any of such other vessels insured (other than other Mortgaged Ships); or
- (b) cancel that cover because of non-payment of premiums in respect of such other vessels,

or the Borrower shall ensure that hull cover for the Ship and any other Mortgaged Ships is provided under a separate policy from any other vessels.

27.7 Payment of premiums

All premiums, calls, contributions or other sums payable in respect of the Insurances shall be paid punctually and the Agent shall be provided with all relevant receipts or other evidence of payment upon request.

27.8 Details of proposed renewal of Insurances

At least 14 days before any of the Ship's Insurances are due to expire, the Agent shall be notified of the names of the brokers, insurers and associations proposed to be used for the renewal of such Insurances and the amounts, risks and terms in, against and on which the Insurances are proposed to be renewed.

27.9 Instructions for renewal

At least seven days before any of the Ship's Insurances are due to expire, instructions shall be given to brokers, insurers and associations for them to be renewed or replaced on or before their expiry.

27.10 Confirmation of renewal

The Ship's Insurances shall be renewed upon their expiry in a manner and on terms which comply with this clause 27 and confirmation of such renewal given by approved brokers or insurers to the Agent at least two Business Days (or such shorter period as may be approved) before such expiry.

27.11 P&I guarantees

Any guarantee or undertaking required by any protection and indemnity or war risks association in relation to the Ship shall be provided when required by the association.

27.12 Insurance documents

The Agent shall be provided with pro forma copies of all insurance policies and other documentation issued by brokers, insurers and associations in connection with the Ship's Insurances as soon as they are available after they have been placed or renewed (but in any event no later than 15 Business Days after such placement or renewal) and all insurance policies and other documents relating to the Ship's Insurances shall be deposited with any approved brokers or (if not deposited with approved brokers) the Agent or some other approved person.

27.13 Letters of undertaking

Unless otherwise approved where the Agent is satisfied that equivalent protection is afforded by the terms of the relevant Insurances and/or any applicable law and/or a letter of undertaking provided by another person, on each placing or renewal of the Insurances, the Agent shall be provided promptly with letters of undertaking in an approved form (having regard to general insurance market practice and law at the time of issue of such letter of undertaking) from the relevant brokers, insurers and associations.

27.14 Insurance Notices and Loss Payable Clauses

The interest of the Security Agent or any other Finance Parties as assignees of the Insurances shall be endorsed on all insurance policies and other documents by the incorporation of a Loss Payable Clause and an Insurance Notice in respect of the Ship and its Insurances signed by the relevant Owner and, unless otherwise approved, each other person assured under the relevant cover (other than the Security Agent or any other Finance Party if it is itself an assured).

27.15 Insurance correspondence

If so required by the Agent (acting on the instructions of the Majority Lenders), the Agent shall promptly be provided with copies of all written communications between the assureds and brokers, insurers and associations relating to any of the Ship's Insurances as soon as they are available.

27.16 Qualifications and exclusions

All requirements applicable to the Ship's Insurances shall be complied with and the Ship's Insurances shall only be subject to approved exclusions or qualifications.

27.17 Independent report

If the Agent (acting on the instructions of the Majority Lenders or EIFO) requests from the Borrower a detailed report from an approved independent firm of marine insurance brokers giving their opinion on the compliance of the Ship's Insurances with the terms of this Agreement then the Agent shall be provided promptly by the Borrower with such a report at no cost to the Agent or (if the Agent obtains such a report itself, which it shall be entitled to do) the Borrower shall reimburse the Agent for the cost of obtaining that report.

27.18 Collection of claims

All documents and other information and all assistance required by the Agent to assist it and/or the Security Agent in trying to collect or recover any claims under the Ship's Insurances shall be provided promptly.

27.19 Employment of Ship

The Ship shall only be employed or operated in conformity with the terms of the Ship's Insurances (including any express or implied warranties) and not in any other way (unless the insurers have consented and any additional requirements of the insurers have been satisfied).

27.20 Declarations and returns

If any of the Ship's Insurances are on terms that require a declaration, certificate or other document to be made or filed before the Ship sails to, or operates within, an area, those terms shall be complied with within the time and in the manner required by those Insurances.

27.21 Application of recoveries

All sums paid under the Ship's Insurances to anyone other than the Security Agent shall be applied in repairing the damage and/or in discharging the liability in respect of which they have

been paid except to the extent that the repairs have already been paid for and/or the liability already discharged.

27.22 Settlement of claims

Any claim under the Ship's Insurances for a Total Loss or Major Casualty shall only be settled, compromised or abandoned with prior approval.

27.23 Change in insurance requirements

If the Agent (acting on the instructions of the Majority Lenders) gives notice to the Borrower to change the terms and requirements of this clause 27 (which the Agent may only do, in such manner as it considers appropriate, as a result in changes of circumstances or practice after the date of this Agreement), this clause 27 shall be modified in the manner so notified by the Agent on the date 14 days after such notice from the Agent is received, provided that such requested modifications follow reasonably prevailing market terms at the time that such notice is given to the Borrower by the Agent.

27.24 Gulf of Mexico operations

The Borrower shall notify the Agent in writing no later than 60 Business Days prior to the deployment of a Ship for service in the Gulf of Mexico and if the Agent (acting on the instructions of the Majority Lenders) gives notice to the Borrower to change the terms and requirements of this clause 27 to account for such operations within 20 days of receipt of such notice from the Borrower, this clause 27 shall be modified in the manner so notified by the Agent on the date 14 days after such notice from the Agent is received, provided that such requested modifications follow reasonably prevailing market terms at the time that such notice is given to the Borrower by the Agent.

28 Minimum security value

28.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 28 will be complied with throughout any Mortgage Period.

28.2 Valuation of assets

For the purpose of the Finance Documents, the value at any time of any Mortgaged Ship (or a Ship prior to the first Utilisation) obtained under clause 4 (*Conditions of Utilisation*) or any other asset over which additional security is provided under this clause 28 will be its value as most recently determined in accordance with this clause 28.

28.3 Valuation frequency

Valuation of each Mortgaged Ship and each Ship before the first Utilisation (and such other asset granted as security in accordance with this clause 28) shall be made:

- (a) at the time required in clause 4.2 (*Conditions precedent to first Utilisation and Facility C Utilisations*) and Schedule 3 (*Conditions precedent*);
- (b) within 30 days of the end of each Financial Year;
- (c) at any time a Ship is lost or becomes a Total Loss and a prepayment or cancellation is to take place under clause 8.8 (*Sale or Total Loss*) or security is to be released under clause 8.14 (*Release*); and
- (d) at any other time and frequency as may be requested by the Majority Lenders and/or EIFO.

28.4 Expenses of valuation

The Borrower shall bear, and reimburse to the Agent where incurred by the Agent, all costs and expenses of providing such a valuation except that if no Event of Default is continuing, the cost of valuations obtained pursuant to paragraph (d) of clause 28.3 (*Valuation frequency*) shall be borne by the Borrower not more than once every calendar year.

28.5 Valuations procedure

The value of any Mortgaged Ship and each Ship before the first Utilisation shall be determined in accordance with, and by valuers approved and appointed in accordance with, this clause 28. Additional security provided under this clause 28 shall be valued in such a way, on such a basis and by such persons (including the Agent itself) as may be approved by the Majority Lenders or as may be agreed in writing by the Borrower and the Agent (on the instructions of the Majority Lenders).

28.6 Currency of valuation

Valuations shall be provided by valuers in euro or, if a valuer is of the view that the relevant type of vessel is generally bought and sold in another currency, in that other currency. If a valuation is provided in another currency, for the purposes of this Agreement it shall be converted into euro at the Agent's spot rate of exchange for the purchase of euro with that other currency as at the date to which the valuation relates.

28.7 Basis of valuation

Each valuation will be addressed to the Agent in its capacity as such (or to the Borrower or the Owners provided that such valuation is accompanied by full reliance and disclosure language in favour of the Finance Parties), will not be more than 30 days old (or 60 days old in relation to the valuations provided pursuant to Schedule 3 (*Conditions precedent*)) and will be made:

- (a) without physical inspection (unless required by the Agent);
- (b) on the basis of a sale for prompt delivery for a price payable in full in cash on delivery at arm's length on normal commercial terms between a willing buyer and a willing seller; and
- (c) without taking into account the benefit or detriment of any charter commitment.

28.8 Information required for valuation

The Borrower shall promptly provide to the Agent and any such valuer any information which they reasonably require for the purposes of providing such a valuation.

28.9 Approval of valuers

All valuers must have been approved. The Agent may from time to time notify the Borrower of approval of one or more independent ship brokers as valuers for the purposes of this clause 28. The Agent shall respond promptly to any request by the Borrower for approval of a broker nominated by the Borrower. The Agent may at any time by notice to the Borrower withdraw any previous approval of a valuer for the purposes of future valuations. That valuer may not then be appointed to provide valuations unless it is once more approved. If the Agent has not approved at least three brokers as valuers at a time when a valuation is required under this clause 28, the Agent shall promptly notify the Borrower of the names of at least three valuers which are approved. On the date of this Agreement the approved valuers are Clarksons, Fearnleys, Pareto and Braemar.

28.10 Appointment of valuers

When a valuation is required for the purposes of this clause 28, the Borrower shall appoint approved valuers to provide such a valuation. If the Borrower fail to appoint valuers, the Agent may appoint approved valuers to provide that valuation.

28.11 Number of valuers

- (a) Each valuation must be carried out by two approved valuers of whom one shall be nominated by the Agent and the other by the Borrower. If the Borrower fails promptly to nominate a second valuer then the Agent may nominate the second valuer.
- (b) If two valuers provide valuations and their valuations of any Mortgaged Ship (or a Ship prior to the first Utilisation) vary by more than 10% (by reference to the lower of the two valuations), then the value of that Mortgaged Ship (or a Ship prior to the first Utilisation) shall be determined by reference to those two valuations and a third valuation provided by a third approved valuer nominated by the Agent.

28.12 Differences in valuations

- (a) If valuations provided by individual valuers differ, the value of the relevant Ship for the purposes of the Finance Documents will be the mean average of those valuations.
- (b) If any approved valuer provides a range of values for a Ship, the value of such Ship for the purposes of the Finance Documents will be the mean average of the values comprising such range.

28.13 Security shortfall

- (a) If at any time the Security Value is less than the Minimum Value, the Agent may, and shall, if so directed by the Majority Lenders, by notice to the Borrower require that such deficiency be remedied. The Borrower shall then within 30 Business Days of receipt of such notice ensure that the Security Value equals or exceeds the Minimum Value. For this purpose, the Borrower may:
 - (i) provide additional security over assets reasonably approved by all the Lenders and in accordance with this clause 28 (including in the form of charged and/or pledged euro cash deposits which are hereby approved by all the Lenders and EIFO); and/or
 - (ii) prepay a part of the Loans under clause 8.4 (*Voluntary prepayment*) and, if applicable pursuant to paragraph (b) below, prepay a part of the Ancillary Outstandings under all the Ancillary Facilities.
- (b) Any prepayment made under clause 28.13(a) above shall be applied:
 - (i) first, in prepayment of Facility B (pro rata across each Facility B Loan thereunder);
 - (ii) secondly, in prepayment of Facility A (pro rata across each Facility A Loan thereunder); and
 - (iii) thirdly, in pro rata prepayment of Facility C (pro rata across each Facility C Loan thereunder) and the Ancillary Outstandings under all the Ancillary Facilities (pro rata as between them).
- (c) Any prepayment of Facility C pursuant to paragraph (b) above shall result in a corresponding cancellation of the Total Facility C Commitments and a corresponding cancellation of the Active Facility C Facility (and rateably between all remaining Facility C Ship Commitments). For the avoidance of doubt, any prepayment of Facility A or Facility B pursuant to paragraph (b) above shall not result in a corresponding cancellation of the Total Facility A Commitments or of the Total Facility B Commitments.

28.14 Creation of additional security

The value of any additional security which the Borrower offers to provide to remedy all or part of a shortfall in the amount of the Security Value will only be taken into account for the purposes of determining the Security Value if and when:

- (a) that additional security, its value and the method of its valuation have been approved by the Majority Lenders and EIFO;
- (b) a Security Interest over that security has been constituted in favour of the Security Agent or (if appropriate) the Finance Parties in a form and manner approved by all the Lenders and EIFO;
- (c) this Agreement has been unconditionally amended in such manner as the Agent requires in consequence of that additional security being provided; and
- (d) the Agent, or its duly authorised representative, has received such documents and evidence it may require in relation to that amendment and additional security including documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in relation to that amendment and additional security and its execution and (if applicable) registration.

28.15 Release of additional security

If at any time the Security Agent or any other Finance Parties hold additional security provided under this clause 28 and the Security Value, disregarding the value of that additional security, exceeds the Minimum Value and the Security Value has been determined by reference to valuations provided no more than 60 days previously, the Borrower may, by notice to the Agent, require the release and discharge of that additional security. The Agent shall then direct the Security Agent to promptly release and discharge that additional security if no Default is then continuing or will result from such release and discharge and, upon such release and discharge and, if so required by the Agent, the Borrower shall reimburse to the Agent any costs and expenses payable under clause 18 (*Transaction expenses*) in relation to that release and discharge.

29 Chartering Undertakings

29.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 29 will be complied with in relation to each Mortgaged Ship which is subject to a Bareboat Charter and/or a Charter throughout the relevant Ship's Mortgage Period. Where a Mortgaged Ship is subject to a Bareboat Charter, all undertakings in this clause 29 given by the relevant Owner will be deemed to also be given by the relevant Bareboat Charterer under such Bareboat Charter.

29.2 Variations

Except with approval, no terms of any Bareboat Charter for the Ship shall be varied, amended or modified in any way or manner which would result in a breach of clause 25.8 (*Chartering*).

29.3 Releases and waivers

Except with approval, there shall be no release by the relevant Owner or Bareboat Charterer of any obligation of any other person under a Bareboat Charter (including by way of novation, assignment or transfer), no waiver of any such obligation and no consent to anything which would otherwise be such a breach which would result in a breach of clause 25.8 (*Chartering*).

29.4 Charter performance

Each relevant Bareboat Charterer and Owner shall perform its obligations under each Bareboat Charter for the Ship to which it is a party and use its best endeavours to ensure that each other party to them performs their obligations under such documents.

29.5 Notice of assignment

- (a) Forthwith following the entry into a Bareboat Charter, the Owner shall give notice of assignment of such Bareboat Charter to the other parties to such Bareboat Charter in the form specified by the relevant General Assignment for that Ship and shall ensure that the Agent receives a copy of that notice acknowledged by each addressee in the form specified therein. Without prejudice to the rights of the Finance Parties under the Finance Documents, if the Owner fails to give such notice promptly, the Agent may, and shall if so directed by the Majority Lenders, serve any such notice of assignment to the relevant parties to such Bareboat Charter in a timely manner.
- (b) Forthwith following the entry into a Charter (and any Charter Guarantee in respect of such Charter) and provided that an assignment of the Earnings under such Charter or Charter Guarantee (as applicable) will not constitute a breach of such Charter or Charter Guarantee (but without prejudice to the requirements of clause 25.8(c)), the Owner shall or shall procure that the relevant Bareboat Charterer shall, as applicable, give notice of assignment of the Earnings under such Charter and such Charter Guarantee to the other parties to such Charter and such Charter Guarantee in the form specified by the relevant General Assignment for that Ship (as applicable) and shall:
 - (i) unless paragraph (ii) below applies, use its reasonable endeavours to ensure that the Agent receives a copy of that notice acknowledged by each addressee in the form specified therein; or
 - (ii) where a Quiet Enjoyment Agreement has been or will be entered into in respect of such Charter, procure the receipt of the acknowledgement of such notice by such Charterer and such Charter Guarantor forthwith.

Without prejudice to the rights of the Finance Parties under the Finance Documents, if the Owner or relevant Bareboat Charterer fails to give such notice promptly, the Agent may, and shall if so directed by the Majority Lenders, serve any such notice of assignment of Earnings to the relevant parties under such Charter and such Charter Guarantee in a timely manner.

29.6 Payment of Charter Earnings

All Earnings which the relevant Owner is entitled to receive under any Charter Documents or Bareboat Charter for the Ship shall be paid into the Earnings Account of the Owner of the Ship or, following an Event of Default, in the manner required by the Security Documents.

29.7 Minimum Bareboat Charter Hire

In the event that, due to applicable transfer pricing regulations, the Minimum Bareboat Charter Hire in respect of a Bareboat Charter of a Ship is insufficient to satisfy paragraphs (a) and (b) in the definition of Minimum Bareboat Charter Hire, the Borrower shall be required, on or before each date for the payment of hire under such Bareboat Charter, to pay by way of capital injection or similar payment an additional amount to the relevant Owner so that the total amount received by such Owner is no less than the amount they would have received had the relevant transfer pricing regulations not applied.

29.8 Quiet enjoyment

Upon the relevant Owner or, as applicable, Bareboat Charterer, delivering any Quiet Enjoyment Agreement for a Mortgaged Ship to the Security Agent duly executed by the other parties to it, the Finance Parties agree that the Security Agent will, as soon as reasonably practicable thereafter, duly execute and enter into such Quiet Enjoyment Agreement and return it to the relevant Owner or, as applicable, Bareboat Charterer.

30 Bank accounts

30.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 30 will be complied with throughout the Facility Period.

30.2 Earnings Account

- (a) An Owner or all of the Owners jointly shall be the holder(s) of one or more Accounts with an Account Bank renominated in euro which is designated as an "Earnings Account" for the purposes of the Finance Documents.
- (b) Each Owner's Earnings of the Mortgaged Ships (including Earnings payable to an Owner under a Bareboat Charter of a Ship) and all moneys payable to the relevant Owner under each Ship's Insurances shall be paid by the persons from whom they are due to an Earnings Account unless required to be paid to the Security Agent under the Finance Documents.
- (c) The relevant Account Holder(s) may withdraw amounts standing to the credit of an Earnings Account for any purpose which is not prohibited under this Agreement, except if an Event of Default is continuing.

30.3 Other provisions

- (a) An Account may only be designated for the purposes described in this clause 30 if:
 - (i) such designation is made in writing by the Agent and acknowledged by the Borrower and specifies the name and address of the Account Bank and the Account Holder(s) and the number and any designation or other reference attributed to the Account;
 - (ii) an Account Security has been duly executed and delivered by the relevant Account Holder(s) in favour of the Security Agent (and any other Finance Party required by the Agent);
 - (iii) any notice required by the Account Security to be given to an Account Bank has been given to, and acknowledged by, the Account Bank in the form required by the relevant Account Security; and
 - (iv) the Agent, or its duly authorised representative, has received such documents and evidence it may require in relation to the Account and the Account Security including documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in relation to the Account and the relevant Account Security.
- (b) The rates of payment of interest and other terms regulating any Account will be a matter of separate agreement between the relevant Account Holder(s) and an Account Bank.
- (c) The relevant Account Holder(s) shall not close any Account or alter the terms of any Account from those in force at the time it is designated for the purposes of this clause 30 or waive any of its rights in relation to an Account except with approval.
- (d) The relevant Account Holder(s) shall deposit with the Security Agent all certificates of deposit, receipts or other instruments or securities relating to any Account, notify the Security Agent of any claim or notice relating to an Account from any other party and provide the Security Agent with any other information it may request concerning any Account.
- (e) Each of the Agent and the Security Agent agrees that if it is an Account Bank in respect of an Account then there will be no restrictions on creating a Security Interest over that Account as contemplated by this Agreement and it shall not (except with the approval of the Majority

Lenders) exercise any right of combination, consolidation or set-off which it may have in respect of that Account in a manner adverse to the rights of the other Finance Parties.

31 Business restrictions

31.1 Undertaking to comply

Except as otherwise approved by the Majority Lenders, each Obligor who is a Party undertakes that this clause 31 will be complied with throughout the Facility Period by and in respect of each person to which each relevant provision of this clause is expressed to apply.

31.2 General negative pledge

- (a) In this clause 31.2, **Quasi-Security** means an arrangement or transaction described in paragraph (c) below.
- (b) No Owner shall create or permit to subsist any Security Interest over any of its assets.
- (c) (Without prejudice to any other provision of this clause 31), no Owner shall:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to, or re-acquired by, an Obligor or any other Group Member other than pursuant to disposals permitted under clause 31.11 (*Disposals*);
 - (ii) sell, transfer, factor or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- (d) Paragraphs (b) and (c) above do not apply to any Security Interest or (as the case may be) Quasi-Security, listed below:
 - (i) those granted or expressed to be granted by any of the Security Documents;
 - (ii) in relation to a Mortgaged Ship, Permitted Maritime Liens;
 - (iii) any lien (other than maritime liens) arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any of the Owners;
 - (iv) any payment or close out netting or set-off arrangement or any security arrangement pursuant to any Hedging Contracts or foreign exchange transaction entered into by an Owner;
 - (v) rights of netting or set-off over credit balances on bank accounts but only to the extent related to bank fees on the relevant bank accounts; or
 - (vi) in relation to Taxes not overdue, or, in the case of income and property taxes and assessments, which are being contested in good faith with due diligence and where the relevant Owner or the Group as a whole has adequate cash reserves in excess of such contested sums.

31.3 Financial Indebtedness

No Owner shall incur or permit to exist, any Financial Indebtedness owed by it to anyone else except:

- (a) Financial Indebtedness incurred under the Finance Documents;
- (b) Indebtedness owing to its trade creditors in the normal course of its business;
- (c) Financial Indebtedness owed by any Owner to another Group Member on an unsecured and subordinated basis subject to a Subordination Deed previously entered into in respect of the same and then only provided that no Event of Default has occurred and is continuing at the time it is incurred and in any event on terms otherwise approved by the Majority Lenders and EIFO;
- (d) Financial Indebtedness permitted under clause 31.4 (*Guarantees*);
and
- (e) Financial Indebtedness permitted under clause 31.5 (*Loans and credit*),

provided that any cash pooling arrangements on a Group wide basis for cash management purposes of the Group shall not constitute Financial Indebtedness for the purposes of clause 31.3.

31.4 Guarantees

No Owner shall give or permit to exist, any guarantee by it in respect of indebtedness of any person or allow any of its indebtedness to be guaranteed by anyone else except:

- (a) guarantees of obligations of another Group Member that are not Financial Indebtedness or obligations prohibited by any Finance Document;
- (b) guarantees in favour of its own trade creditors for indebtedness owing to its trade creditors and given in the ordinary course of its business;
- (c) guarantees which are Financial Indebtedness permitted under clause 31.3 (*Financial Indebtedness*);
- (d) guarantees or indemnities from time to time required by any protection and indemnity or war risks association with which a Ship is entered;
and
- (e) any performance or similar guarantee issued by an Owner or any counter guarantee issued by an Owner in respect of any guarantee issued by any other person, in each case in relation to a Ship required in the ordinary course of business and operation of that Ship in support of a charter commitment for such Ship, up to an aggregate amount of 10% of the market value (in euro equivalent terms and as determined pursuant to the latest valuation obtained under this Agreement of that Ship for all such guarantees under this paragraph (e).

31.5 Loans and credit

No Obligor shall be a creditor in respect of Financial Indebtedness other than in respect of:

- (a) loans or credit to another Group Member permitted under clause 31.3 (*Financial Indebtedness*) or clause 31.4 (*Guarantees*) or loans or credit to any Group Member that is not an Obligor;
- (b) Financial Indebtedness owing to it by another Obligor on an unsecured and, in case of Financial Indebtedness owing to it by an Owner, subordinated basis subject to a Subordination Deed previously entered into in respect of the same and then only provided that no Event of Default has occurred and is continuing at the time it is incurred and in any event on terms otherwise approved by the Majority Lenders;

- (c) trade credit granted by it to its customers on normal commercial terms in the ordinary course of its trading activities;
and
- (d) loans to other Group Members arising under any cash pooling arrangements on a Group wide basis for cash management purposes of the Group.

31.6 Bank accounts, operating leases and other financial transactions

No Owner shall:

- (a) maintain any current or deposit account with a bank or financial institution except for the Accounts (other than, until the date falling 3 months from the date of this Agreement, any existing accounts to be closed pursuant to paragraph 2 of Part 5 of Schedule 3 (*Conditions precedent*)) and the deposit of money, operation of current accounts and the conduct of electronic banking operations with the Account Bank and through the Accounts; or
- (b) hold cash in any account (other than with the Account Bank and other than the Accounts) over or in respect of which any set-off, combination of accounts, netting or Security Interest exists except as permitted by clause 31.2 (*General negative pledge*).

31.7 Subsidiaries

No Owner shall establish or acquire a company or other entity which would be or become a Group Member or reactivate any dormant Group Member.

31.8 Acquisitions and investments

No Owner shall acquire any person, business, assets or liabilities or make any investment in any person or business or undertaking or enter into any joint-venture arrangement except:

- (a) any acquisition pursuant to a disposal permitted under clause 31.11 (*Disposals*);
- (b) acquisitions of assets in the ordinary course of business (not being new businesses or vessels);
- (c) the incurrence of liabilities in the ordinary course of its business;
or
- (d) any loan or credit not otherwise prohibited under this Agreement.

31.9 Reduction of capital

No Guarantor shall redeem or purchase or otherwise reduce any of its equity or any other share capital or any warrants or any uncalled or unpaid liability in respect of any of them or reduce the amount (if any) for the time being standing to the credit of its share premium account or capital redemption or other undistributable reserve in any manner.

31.10 Increase in capital

No Guarantor shall issue shares or other equity interests to anyone who is not the Borrower or a wholly-owned Subsidiary of the Borrower.

31.11 Disposals

No Owner shall enter into a single transaction or a series of transactions, whether related or not and whether voluntarily or involuntarily, to sell, lease, transfer or otherwise dispose of any asset except for any of the following disposals (so long as they are not prohibited by any other provision of the Finance Documents):

- (a) disposals of assets made in (and on terms reflecting) the ordinary course of trading of the disposing entity;

- (b) disposals of obsolete assets, or assets which are no longer required for the purpose of the business of the relevant Owner, in each case for cash on normal commercial terms and on an arm's length basis;
- (c) disposals permitted by clause 25.3 (*Sale or other disposal of Ship*), clause 31.2 (*General negative pledge*) or clause 31.3 (*Financial Indebtedness*);
- (d) dealings with its own trade creditors with respect to book debts in the ordinary course of trading;
and
- (e) the application of cash or cash equivalents in the acquisition of assets or services in the ordinary course of its business.

31.12 Contracts and arrangements with Affiliates

No Obligor shall be party to any arrangement or contract with any of its Affiliates unless such arrangement or contract is on an arm's length basis.

31.13 Distributions and other payments by Group

The Borrower shall not:

- (a) declare or pay (including by way of set-off, combination of accounts or otherwise) any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital) or any warrants for the time being in issue;
- (b) repay or distribute any dividend or share premium reserve;
or
- (c) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so,

except (1) if no Event of Default is continuing at the time of the declaration, payment or making of any such dividend, distribution or other payment, nor would result from doing so and, (2) if:

- (i) it constitutes (A) a Permitted Distribution or (B) distributions granted to employees or officers of the Borrower in respect of any share incentive plan or as salaries, bonus payments or any other payments relating to their employment with the Group; and
- (ii) the ratio of (A) Net Interest Bearing Debt to (B) EBITDA in respect of a Measurement Period that is a Financial Year, as certified in the then latest Compliance Certificate delivered to the Agent pursuant to the provisions of this Agreement, was lower than 2.75:1.00.

32 Hedging Contracts

32.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 32 will be complied with throughout the Facility Period.

32.2 Hedging

- (a) If, at any time during the Facility Period, the Borrower wishes to enter into any Treasury Transaction so as to hedge fluctuations in respect of interest rates and/or currency exchange rates under this Agreement, they shall notify the Agent in writing.
- (b) Any such Treasury Transaction shall be concluded by the Borrower only, with one or more of the Hedging Providers on the terms of the Hedging Master Agreements but (except with the approval of the Majority Lenders) no such Treasury Transaction shall be concluded unless its purpose is to hedge the Group's exposure to fluctuations in respect of interest rates and/or currency exchange rates under this Agreement.
- (c) The Hedging Providers shall have the right of first refusal to enter into Treasury Transactions under a Hedging Master Agreement which any Group Member is considering to enter into such Treasury Transactions for the purpose of hedging on competitive terms the Borrower's and the Group's exposure to fluctuations in respect of interest rates and/or currency exchange rates under this Agreement.
- (d) Other than Hedging Transactions which meet the requirements of paragraphs (a) to (b) above, or any Treasury Transactions to cover the Group's (or any part of it) exposure to interest rate and/or currency exchange rate fluctuations (originally) entered into by the Borrower with an Original Hedging Provider (or Affiliate) prior to the date of this Agreement (and transferred, assigned, novated to, or otherwise substituted by Treasury Transactions under, a Hedging Master Agreement on or before the first Utilisation Date), the Borrower shall not enter into Treasury Transactions under the Hedging Master Agreements, except with approval.
- (e) The Borrower shall, promptly upon entry into of any Confirmation under a Hedging Contract, deliver to the Agent an original or certified copy of such Confirmation.
- (f) Without prejudice to paragraphs (a) to (e) above, the Borrower shall not be restricted from entering into Treasury Transactions that do not hedge fluctuations in respect of interest rates or currency exchange rates under this Agreement with any hedging provider (including any Hedging Provider) provided that such Treasury Transactions shall not be entered into under a Hedging Master Agreement.

32.3 Assignment of Hedging Contracts by Borrower

Except with approval or by the Hedging Contract Security, the Borrower shall not assign or otherwise dispose of its rights under any Hedging Contract.

32.4 Information concerning Hedging Contracts

The Borrower shall provide the Agent with any information it may request concerning any Hedging Contract, including all reasonable information, accounts and records that may be necessary or of assistance to enable the Agent to verify the amounts of all payments and any other amounts payable under the Hedging Contracts.

33 Events of Default

Each of the events or circumstances set out in this clause 33 (except clause 33.20(*Acceleration*)) is an Event of Default.

33.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by administrative or technical error or by a Disruption Event;
and

- (b) payment is made in full within 5 Business Days of its due date.

33.2 Hedging Contracts

An Event of Default or Potential Event of Default in respect of the Borrower (in each case as defined in any Hedging Master Agreement) has occurred and is continuing under any Hedging Contract.

33.3 Financial covenants; EIFO Cover; Sanctions

- (a) The Obligors do not comply with clause 22 (*Financial covenants*) or clause 28.13 (*Security shortfall*).
- (b) The Obligors do not comply with clause 23.14 (*EIFO requirements*) or clause 4.4 (*Conditions subsequent*).
- (c) The Obligors do not comply with clause 23.13 (*Sanctions*) or any of paragraphs (b), (c) or (d) of clause 26.16 (*Lawful use*).

33.4 Insurance

- (a) The Insurances of a Mortgaged Ship are not placed and kept in force in the manner required by clause 27 (*Insurance*).
- (b) Any insurer either:
 - (i) cancels any such Insurances;
or
 - (ii) disclaims liability under them or asserts that its liability under them is or should be reduced by reason of any mis-statement or failure or default by any person,

unless such Insurances have been replaced (on terms compliant with the requirements of clause 27 (*Insurance*)) by the Owners or the Borrower with effect from the date of occurrence of the relevant circumstances under paragraphs (i) or (ii) above as applicable.

33.5 Other obligations

- (a) An Obligor or Manager does not comply with any provision of the Finance Documents (other than those referred to in clause 33.1 (*Non-payment*), clause 33.2 (*Hedging Contracts*), clause 33.3 (*Financial covenants; EIFO Cover; Sanctions*), clause 33.4 (*Insurance*) or any other provision of this clause 33).
- (b) No Event of Default under paragraph (a) above will occur if the Agent considers that the failure to comply is capable of remedy and the failure is remedied within fifteen (15) Business Days of the earlier of (A) the Agent giving notice to the Borrower and (B) the Borrower or any other Obligor or Manager becoming aware of the failure to comply.
- (c) No Event of Default will occur under this clause 33.5 by reason only of an Obligor's failure to comply with a Green Loan Provision.

33.6 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor or Manager in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, unless (in the case of any misrepresentation other than one under clauses 20.23 (*Security and Financial Indebtedness*) or 20.33 (*Sanctions*)) the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 5 Business Days of the Agent giving notice to the Obligors to do so.
- (b) Any representation or statement made or deemed to be made by an Obligor under clause 20.23 (*Security and Financial Indebtedness*) is or proves to have been incorrect or misleading in any material respect when made or when deemed to be made, unless the Agent considers that the circumstances giving rise to the misrepresentation are capable of remedy and are so remedied within fifteen (15) Business Days of the earlier of (A) the Agent giving notice to the Borrower and (B) the Borrower or any other Obligor becoming aware of the misrepresentation.
- (c) No Event of Default will occur under this clause 33.6 to the extent that the representation or statement is included in any Green Loan Provisions and concerns, or the document consists of, Green Loan Information.

33.7 Cross default

- (a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).
- (d) The counterparty to a Treasury Transaction entered into by any Obligor becomes entitled to terminate that Treasury Transaction early by reason of an event of default (however described).
- (e) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of that Obligor due and payable prior to its specified maturity as a result of an event of default (however described).
- (f) No Event of Default will occur under paragraphs (a) to (e) above if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (e) above is less than €10,000,000 (or its equivalent in any other currency or currencies).

33.8 Insolvency

- (a) An Obligor:
 - (i) is unable or admits inability to pay its debts as they fall due;
 - (ii) is deemed to, or is declared to, be unable to pay its debts under applicable law;
 - (iii) suspends or threatens to suspend making payments on any of its debts;
or
 - (iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

- (b) The value of the assets of any Obligor is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

33.9 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or any of its assets (including the directors of any Obligor requesting a person to appoint any such officer in relation to it or any of its assets); or
 - (iv) enforcement of any Security Interest over any assets of any Obligor,or any analogous procedure or step is taken in any jurisdiction.
- (b) Paragraph (a) above shall not apply to any winding-up petition (or analogous procedure or step) which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement or, if earlier, the date on which it is advertised.

33.10 Creditors' process

- (a) Any expropriation, attachment, sequestration, distress, execution or any other analogous process or enforcement action (including enforcement by a landlord) affects any asset or assets of any Obligor for an amount in excess of €10,000,000 (or its equivalent in any other currency or currencies) and is not discharged within thirty (30) days.
- (b) Any judgment or order for an amount in excess of €10,000,000 (or its equivalent in any other currency or currencies) is made against any Obligor and is not stayed or complied with within thirty (30) days.

33.11 Unlawfulness and invalidity

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any Transaction Security ceases to be effective.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document or any Transaction Security ceases to be in full force and effect or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective for any reason.
- (d) Any Security Document does not create legal, valid, binding and enforceable security over the assets charged under that Security Document or the ranking or priority of such security is adversely affected.

33.12 Cessation of business

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business except in the case of an Owner as a result of the sale or Total Loss of its Ship and provided that the terms of clause 8.8 (*Sale or Total Loss*) and if applicable clause 8.14 (*Release*) have been complied with.

33.13 Expropriation

The authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Obligor or any of its assets.

33.14 Repudiation and rescission of Finance Documents

An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

33.15 Litigation

Either:

- (a) any litigation, alternative dispute resolution, arbitration or administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened; or
- (b) any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made,

in relation to any Transaction Document or the transactions contemplated in the any Transaction Document or against any Obligor or any of its assets, rights or revenues which is reasonably likely to have a Material Adverse Effect.

33.16 Material Adverse Effect

Any event or circumstance (including any Environmental Incident or any change of law) occurs which has, or is reasonably likely to have, a Material Adverse Effect.

33.17 Arrest of Ship

Any Mortgaged Ship is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim and the relevant Owner fails to procure the release of such Mortgaged Ship within a period of 30 Business Days thereafter (or such longer period as may be approved) unless within such 30 Business Day Period the Borrower cancels and prepays the Facilities and the Ancillary Outstandings (if applicable) as if such Ship had been sold or become a Total Loss and in accordance with clause 8.8 (*Sale or Total Loss*) and pays interest thereon together with all other amounts owing to the Finance Parties under the Finance Documents together with such prepayment.

33.18 Ship registration

Except with approval by the Majority Lenders and EIFO, the registration of any Mortgaged Ship under the laws and flag of its Flag State is cancelled or terminated or, where applicable, not renewed or, if such Ship is only provisionally registered on the date of its Mortgage, such Ship is not permanently registered under such laws within 90 days of such date.

33.19 Political risk

- (a) Either (1) the Flag State of any Mortgaged Ship or any Relevant Jurisdiction of an Obligor becomes involved in hostilities or civil war or (2) there is a seizure of power in the Flag State or any such Relevant Jurisdiction by unconstitutional means and such event or circumstance, has or is reasonably likely to have, a Material Adverse Effect.
- (b) No Event of Default under paragraph (a) above will occur if:
 - (i) in the opinion of the Agent it is practicable for action to be taken by the Borrower to prevent the relevant event or circumstance having a Material Adverse Effect; and
 - (ii) the Borrower takes such action to the Agent's satisfaction within 14 days of notice from the Agent (specifying the relevant action to be taken) to do so.

33.20 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders and EIFO:

- (a) by notice to the Borrower:
 - (i) declare that no withdrawals be made from any Account; and/or
 - (ii) cancel the Available Commitments of all the Lenders and/ or each Ancillary Commitment at which time they shall immediately be cancelled, and/or they shall immediately cease to be available for further utilisation; and/or
 - (iii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
 - (iv) declare that all or part of the Loans be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
 - (v) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable, at which time they shall become immediately due and payable; and/or
 - (vi) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (b) exercise or direct the Security Agent and/or any other beneficiary of the Security Documents to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

34 Position of Hedging Providers

34.1 Rights of Hedging Providers

- (a) Each Hedging Provider is a Finance Party and, as such, will be entitled to share in the Transaction Security in respect of any liabilities of the Borrower under the Hedging Contracts with such Hedging Provider in the manner and to the extent contemplated by the Finance Documents.
- (b) The Original Hedging Providers shall have the right of first refusal on any future Hedging Contracts in relation to the Ships or the Facilities.

34.2 No voting rights

No Hedging Provider shall be entitled to vote on any matter where a decision of the Lenders alone is required under this Agreement, whether before or after the termination or close out of the Hedging Contracts with such Hedging Provider, provided that each Hedging Provider shall be entitled to vote on any matter where a decision of all the Finance Parties is expressly required.

34.3 Acceleration and enforcement of security

Neither the Agent nor the Security Agent any other beneficiary of the Security Documents shall be obliged, in connection with any action taken or proposed to be taken under or pursuant to clause 33 (*Events of Default*) or pursuant to the other Finance Documents, to have any regard to the requirements or interests of any Hedging Provider except to the extent that the relevant Hedging Provider is also a Lender.

34.4 Close out of Hedging Contracts

- (a) The Parties agree that at any time on and after any Event of Default the Agent (acting on the instructions of the Majority Lenders) shall be entitled, by notice in writing to a Hedging Provider, to instruct such Hedging Provider to terminate and close out any Hedging Transactions (or part thereof) with the relevant Hedging Provider. The relevant Hedging Provider will (and shall be entitled to) terminate and close out the relevant Hedging Transactions (or parts thereof) and/or the relevant Hedging Contracts in accordance with such notice immediately upon receipt of such notice.
- (b) No Hedging Provider shall be entitled to terminate or close out any Hedging Contract or any Hedging Transaction under it prior to its stated maturity except:
 - (i) in accordance with a notice served by the Agent under paragraph (a) above;
or
 - (ii) if the Borrower has not paid amounts due under the Hedging Contract and such amounts remain unpaid for a period of 5 Business Days after the due date for payment and the Agent (acting on the instructions of the Majority Lenders) consents to such termination or close out; or
 - (iii) if the Agent takes any action under clause 33.20 (*Acceleration*);
or
 - (iv) if the Hedging Provider or any of its Affiliates ceases to be a Lender;
or
 - (v) any of the events set out in clause 33.8 (*Insolvency*) or clause 33.9 (*Insolvency process*) above occurs in relation to the Borrower;
or
 - (vi) if the Available Commitments of all the Lenders have been cancelled (or otherwise cease to be available), the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents (other than amounts outstanding under the Hedging Contracts) have been repaid by the Borrower in full and the Facilities have ceased to be available for further utilisation.
- (c) If there is a net amount payable to the Borrower under a Hedging Transaction or a Hedging Contract upon its termination and close out, the relevant Hedging Provider shall forthwith pay that net amount (together with interest earned on such amount) to the Agent for application in accordance with clause 40.1 (*Order of application*).
- (d) No Hedging Provider (in any capacity) shall set-off any such net amount against or exercise any right of combination in respect of any other claim it has against the Borrower.

Section 9 - Changes to Parties

35 Changes to the Lenders

35.1 Assignments by the Lenders

Subject to this clause 35, a Lender (the **Existing Lender**) may assign any of its rights under any Finance Document to any of the following persons (the **New Lender**):

- (a) to another bank or financial institution, an insurer or reinsurer or EIFO;
and
- (b) following the occurrence of an Event of Default under clause 33.1 (*Non-Payment*), paragraph (c) of clause 33.3 (*Financial covenants; EIFO Cover; Sanctions*), clause 33.8 (*Insolvency*) or clause 33.9 (*Insolvency proceedings*) that is continuing, also to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets, or to EIFO or to any other person.

35.2 Borrower consultation; EIFO approval; Hedging Providers

- (a) An Existing Lender must consult with the Borrower and EIFO for no more than 15 days (and for the avoidance of doubt there shall be no obligation to obtain the Borrower's consent) before it may make an assignment under clause 35.1 (*Assignments by the Lenders*) unless the assignment is:
 - (i) to another Lender or to EIFO or to an Affiliate of any Lender or of EIFO;
 - (ii) to a fund which is a Related Fund of that Existing Lender;
or
 - (iii) made at a time when an Event of Default is continuing.
- (b) The prior written consent of EIFO is required for an assignment by a Facility C Lender of its Facility C Commitments and/or its participation in Facility C.
- (c) An Existing Lender who is also a Hedging Provider (or where its Affiliate is a Hedging Provider) may not assign all of its Commitment and participation in the Facilities unless at the same time it uses reasonable endeavours to procure that such Hedging Provider also assigns and transfers all of its rights and obligations under all Hedging Contracts and all Hedging Master Agreements to which it is a party to another Hedging Provider who is also a Lender (or will be the proposed New Lender in connection with the proposed assignment of the Commitment and/or participation of such Existing Lender) or their Affiliate, in each case, subject to clause 35.13(c) (*Accession of Hedging Providers to this Agreement*).
- (d) The Borrower shall procure that the provisions of paragraph (c) are complied with in the event that the relevant Existing Lender is a Lender being replaced pursuant to the provisions of clause 8.7 (*Replacement of Lender*).

35.3 Other conditions of assignment

- (a) An assignment will only be effective:
 - (i) on receipt by the Agent of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the Borrower and the other Finance Parties as it would have been under if it had been an Original Lender;
 - (ii) on the Existing Lender and the New Lender entering into any documentation required for the New Lender to accede as a party to any Security Document to which the Existing Lender is a party in its capacity as a Lender and/or (if it will no longer have an Available Commitment or participation in the Facilities) to remove the

Existing Lender as a party to and/or beneficiary of any such Security Document and, in relation to such Security Documents, completing any filing, registration or notice requirements;

- (iii) on the performance by the Agent of all necessary “know your customer” or similar checks under all applicable laws and regulations relating to any person that it is required to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender;
 - (iv) if that Existing Lender assigns equal fractions of its Commitment and participation in each Loan and each Utilisation (if any) under the same Facility provided that an assignment by an Existing Lender may relate to one or more Facilities (but not necessarily all the Facilities); and
 - (v) if the total amount of participation and Commitment of the Existing Lender being assigned is not less than €1,000,000 in any Facility.
- (b) Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with the Finance Documents on or prior to the date on which the assignment becomes effective in accordance with the Finance Documents and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

35.4 Processing fee

The New Lender (save for EIFO in respect of an assignment to it) shall, on the date upon which an assignment takes effect, pay to the Agent (for its own account) a fee of €10,000.

35.5 Processing expenses

The New Lender shall, in addition to any fee payable under clause 35.4 (*Processing fee*), promptly on demand, pay the Agent the amount of:

- (a) all costs and expenses (including legal fees) reasonably incurred by the Agent or the Security Agent in connection with any such assignment; and
- (b) any cost, loss or liability the Agent or the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any such assignment.

35.6 Transfer costs and expenses relating to security

The New Lender shall, promptly on demand, pay the Agent and the Security Agent the amount of:

- (a) all costs and expenses (including legal fees) reasonably incurred by the Agent or the Security Agent to facilitate the accession by the New Lender to, or assignment or transfer to the New Lender of, any Security Document granted in favour of (among others) the Lenders and/or the benefit of any such Security Document and any appropriate registration of any such accession or assignment or transfer; and
- (b) any cost, loss or liability the Agent or the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any such accession, assignment or transfer.

35.7 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

- (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Transaction Security or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
 - (iv) the performance and observance by any Obligor or any other person of its obligations under the Finance Documents or any other documents; or
 - (v) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,
- and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
- (i) has made (and shall continue to make) its own independent investigation and assessment of:
 - (A) the financial condition and affairs of the Obligors and their related entities in connection with its participation in this Agreement; and
 - (B) the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
 - (ii) will continue to make its own independent appraisal of the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
 - (iii) has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and
 - (iv) will continue to make its own independent appraisal of the creditworthiness of each Obligor, EIFO and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-assignment from a New Lender of any of the rights assigned under this clause 35; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under any Transaction Document or by reason of the application of any Basel Regulation to the transactions contemplated by the Transaction Documents or otherwise.

35.8 Procedure available for assignment

- (a) Subject to the conditions set out in clause 35.2 (*Borrower consultation; EIFO approval; Hedging Providers*) and clause 35.3 (*Other conditions of assignment*) an assignment may be effected in accordance with paragraph (d) below when (a) the Agent executes an otherwise duly completed Transfer Certificate and (b) the Agent executes any document required under paragraph (a) of clause 35.3 (*Other conditions of assignment*) which it may be necessary for it to execute in each case delivered to it by the Existing Lender and the New Lender duly executed by them and, in the case of any such other document, any other relevant person. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a Transfer Certificate and any such other document each duly completed, appearing on its face to comply with the terms of this Agreement and

delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and such other document.

- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) The Obligors who are Parties and the other Finance Parties irrevocably authorise the Agent to execute any Transfer Certificate on their behalf without any consultation with them.
- (d) Subject to clause 35.12 (*Transfer to EIFO*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Transfer Certificate;
 - (ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the **Relevant Obligations**) and expressed to be the subject of the release in the Transfer Certificate (but the obligations owed by the Obligors under the Finance Documents shall not be released); and
 - (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (e) Lenders may utilise procedures other than those set out in this clause 35.8 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with this clause 35.8 to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) provided that they comply with the conditions set out in clause 35.2 (*Borrower consultation; EIFO approval; Hedging Providers*) and clause 35.3 (*Other conditions of assignment*).

35.9 Copy of Transfer Certificate to Borrower

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate and any other document required under paragraph (a) of clause 35.3 (*Other conditions of assignment*), send a copy of that Transfer Certificate and such other documents to the Borrower.

35.10 Security over Lenders' rights

- (a) In addition to the other rights provided to Lenders under this clause 35, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:
 - (i) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank;
 - (ii) any assignment to a special purpose vehicle set up by a Lender or any Affiliate of any Lender where a charge, assignment or other Security Interest is to be created over securities issued by such special purpose vehicle in favour of a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank); and
 - (iii) any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or other Security Interest shall:

- (A) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security Interest for the Lender as a party to any of the Finance Documents; or
 - (B) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.
- (b) Notwithstanding any provision to the contrary, upon the enforcement of any charge, assignment or other Security Interest referenced under paragraph (a) above the beneficiary thereof (the **Beneficiary**) shall deliver notice of that enforcement to the Agent, with such notice taking effect in accordance with its terms, and the Beneficiary shall, upon completion of the conditions referenced in paragraph (a)(iii) of clause 35.3 (*Other conditions of assignment*), become a Party as a New Lender in respect of the rights which are subject to that charge, assignment or Security Interest.

35.11 Pro rata interest settlement

- (a) In respect of any assignment pursuant to clause 35.8 (*Procedure for assignment*) the Transfer Date of which, in each case, is not on the last day of an Interest Period:
- (i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (Accrued Amounts) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six months, on the next of the dates which falls at six monthly intervals after the first day of that Interest Period); and
 - (ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
 - (A) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and
 - (B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this clause 35.11, have been payable to it on that date, but after deduction of the Accrued Amounts.
- (b) In this clause references to Interest Period shall be construed to include a reference to any other period for accrual of fees.

35.12 Transfer to EIFO

- (a) If a Lender receives a payment from EIFO under the EIFO Guarantee Policy in respect of its participation in a Facility C Loan, then, to the extent that it is required to do so by EIFO pursuant to the terms of the EIFO Guarantee Policy, that Lender shall, at the cost of the Borrower and without the Borrower's consent, assign to EIFO a part of its participation in the relevant Facility C Loan equal to the amount paid to it by EIFO (but the assignment shall not limit the rights of that Lender to recover any remaining part of its participation in that Facility C Loan or of any other moneys owing to it). Provided however that if EIFO makes any payment to the Lenders under the EIFO Guarantee Policy:
- (i) the obligations of the Obligors and the Finance Parties (and of any of them) under this Agreement and each of the Finance Documents shall not be discharged nor affected in any way;

- (ii) EIFO shall be subrogated to the respective rights of the Lenders (to the extent of such payment) against the Obligor and the Finance Parties;
 - (iii) EIFO shall be entitled to the extent of such payment to exercise the respective rights of the Lenders (whether present or future) against the Obligor and the Finance Parties (and against any of them) pursuant to this Agreement and the Finance Documents or any relevant laws and/or regulations unless and until such payment and the interest accrued thereon are fully reimbursed to EIFO; and
 - (iv) with respect to the obligations of the Obligor owed to the Finance Parties under the Finance Documents (or any of them) and, to the extent of such payment, such obligations shall additionally be owed to EIFO by way of subrogation of the rights of the Finance Parties.
- (b) Each of the Lenders agrees that as soon as all moneys due under the EIFO Guarantee Policy have been finally paid in full by EIFO then each of the relevant Lenders shall promptly transfer to EIFO 100 per cent of their respective Commitments, participations and other rights under Facility C in respect of the relevant Facility C Loan, in proportion to and in accordance with the schedule of payments made by EIFO under the EIFO Guarantee Policy whereupon EIFO shall, upon receipt by the Agent of a duly completed Transfer Certificate, and modified to the extent agreed between the Finance Parties and EIFO for consistency with the terms and conditions of the EIFO Guarantee Policy, be a transferee and as such shall be entitled to the rights and benefits of the Lenders under the Finance Documents to the extent of its participation in such Facility C Loan. Notwithstanding any provisions to the contrary in any Finance Document, the Borrower consents to such assignment and transfer.
 - (c) The Borrower shall indemnify EIFO in respect of any costs or expenses (including legal fees) suffered or incurred by EIFO in connection with the transfer referred to hereinabove or in connection with any review by EIFO of any Default or dispute between the Borrower and any of the Finance Parties occurring prior to the transfer referred to hereinabove.
 - (d) For the avoidance of doubt, EIFO may, at its sole discretion, reinsure its obligations under the EIFO Guarantee Policy in whole or in part.

35.13 Accession of Hedging Providers to this Agreement

- (a) Any Party (other than an Original Lender) which becomes a Lender after the date of this Agreement with a Commitment which represents at least 5 per cent of the Total Commitments at the time it becomes a Lender shall, at the same time, become a Party to this Agreement as a Hedging Provider.
- (b) A Lender may request that an Affiliate of that Lender becomes a Hedging Provider by delivering to the Agent a duly executed Hedging Provider Accession Letter referred to in Schedule 8 (*Form of Hedging Provider Accession Letter*).
- (c) The relevant Affiliate will become a Hedging Provider when the Agent enters into the relevant Hedging Provider Accession Letter referred to in Schedule 8 (*Form of Hedging Provider Accession Letter*).

36 Changes to the Obligor

36.1 Assignment and transfers by Obligor

Except with the prior written consent of all the Lenders and EIFO, no Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

36.2 Prohibition on Debt Purchase Transactions by the Group

The Obligor shall not, and the Borrower shall procure that each Group Member shall not, enter into any Debt Purchase Transaction or be a Lender or beneficially own all or any part of the share

capital of a company that is or is to be a Lender or a party to a Debt Purchase Transaction of the type referred to in the definition of Debt Purchase Transaction.

36.3 Disenfranchisement of Debt Purchase Transactions entered into by Borrower Affiliates

- (a) For so long as a Borrower Affiliate (i) beneficially owns a Commitment or (ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated:
 - (i) in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments or any agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, such Commitment shall be deemed to be zero; and
 - (ii) for the purposes of clause 51.2 (*All Lender matters*), such Borrower Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender for the purpose of paragraph (i) above (unless, in the case of a person not being a Borrower Affiliate, it is a Lender by virtue otherwise than by beneficially owning the relevant Commitment).
- (b) Each Lender shall, unless such Debt Purchase Transaction is an assignment or transfer, promptly notify the Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Borrower Affiliate (a **Notifiable Debt Purchase Transaction**), such notification to be substantially in the form set out in Part 1 of Schedule 14 (*Forms of Notifiable Debt Purchase Transaction Notice*).
- (c) No Lender shall knowingly enter into any Notifiable Finance Purchase Transaction unless such Notifiable Finance Purchase Transaction relates to the entirety of its Commitment in the Facilities.
- (d) A Lender shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:
 - (i) is terminated;
or
 - (ii) ceases to be with a Borrower Affiliate,such notification to be substantially in the form set out in Part 2 of Schedule 14 (*Forms of Notifiable Debt Purchase Transaction Notice*).
- (e) Each Borrower Affiliate that is a Lender agrees that:
 - (i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and
 - (ii) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of or addressed to, the Agent or one or more of the Lenders. For the avoidance of doubt the only information the Lender is entitled to receive are operational notices for that Lender in connection with their Commitment.

36.4 Borrower Affiliates' notification to other Lenders of Debt Purchase Transactions

Any Borrower Affiliate which is or becomes a Lender and which enters into a Debt Purchase Transaction as a purchaser or a participant shall, by 5.00 pm on the Business Day following the day on which it entered into the Debt Purchase Transaction, notify the Agent of the extent of the

Commitment(s) or amount outstanding to which that Debt Purchase Transaction relates. The Agent shall promptly disclose such information to the Lenders.

36.5 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraph (c) of clause 21.13 ("*Know your customer*" checks), the Borrower may request that any of its Subsidiaries becomes an Additional Guarantor (1) for the purposes of clause 25.8(b) or (c) (*Chartering*) where there is a change of Bareboat Charterer of a Ship and the proposed Bareboat Charterer of that Ship is not already a Guarantor, (2) for the purposes of a transfer of shares in a Guarantor to an Approved Shareholder such that such change does not constitute or result in a Change of Control or (3) for the purposes of clause 23.9(b) (*Merger and Permitted Reorganisation*) and the accession to this Agreement as Guarantors of each of the Target Guarantors or clause 23.9(f) (*Merger and Permitted Reorganisation*) and the accession to this Agreement as a Guarantor of a Permitted Reorganisation Subsidiary. That Subsidiary shall become an Additional Guarantor if:
- (i) it is a direct or indirect (and wholly-owned unless it is to be a Bareboat Charterer under a JV Bareboat Charter for that Ship) Subsidiary of the Borrower;
 - (ii) it is incorporated, registered or formed in the same jurisdiction as the Borrower, any EEA Member Country, the United States of America, United Kingdom, Japan or such other jurisdiction as approved by the Lenders and EIFO;
 - (iii) the Borrower and that Subsidiary deliver to the Agent a duly completed and executed Accession Deed (at the cost and expense of the Borrower);
 - (iv) the Borrower procures that the shareholder(s) of all of the shares in such Additional Guarantor deliver to the Security Agent duly executed Share Security together with any documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in respect of such Share Security;
 - (v) the Agent has received all of the documents and other evidence listed in Part 4 of Schedule 3 (*Conditions precedent*) in relation to that Additional Guarantor and such Share Security, each in form and substance satisfactory to the Agent and at the cost and expense of the Borrower;
 - (vi) the Parties have entered into such other amendments and documents (including any amendment to this Agreement and to any of the other Finance documents, including additional Security Interests where required) as the Finance Parties may require in respect of the above matters (at the cost and expense of the Borrower); and
 - (vii) the entry by the Parties into any of the above documents does not otherwise constitute a Default nor would otherwise cause or result in a Default (and the Borrower confirms the same in writing to the Agent).
- (b) The Agent shall notify the Borrower, the Lenders and EIFO promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 4 of Schedule 3 (*Conditions precedent*) and those listed in any of the preceding paragraphs of this clause 36.5 in each case in respect of an Additional Guarantor.
- (c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
- (d) With effect on the date of delivery of the duly executed Accession Deed to the Agent and the Security Agent in respect of an Additional Guarantor (the **Relevant Additional Guarantor**) and provided that on or before such date the Agent has given the notification described in paragraph (b) above in respect of the Relevant Additional Guarantor:

- (i) the Parties hereby agree and confirm that the Relevant Additional Guarantor will be made an additional party to this Agreement, as joint and several guarantor with the Guarantors as at the date of this Agreement (the **Original Guarantors**) and any other Additional Guarantor previously made a guarantor under this Agreement pursuant to this clause 36.5 (a **Previously Acquired Additional Guarantor**), and this Agreement shall henceforth be construed and treated in all respects as if references therein to “Guarantors” included references to the Relevant Additional Guarantor in addition to the Original Guarantors and any Previously Acquired Additional Guarantor.
- (ii) the Parties hereby agree and confirm that the Relevant Additional Guarantor will be bound by the terms of this Agreement as if it had all times been named therein as Guarantor;
- (iii) the Relevant Additional Guarantor agrees that it will duly and punctually perform all the liabilities and obligations whatsoever from time to time to be performed or discharged by the Original Guarantors and any Previously Acquired Additional Guarantor under this Agreement (and for which the Original Guarantors, any Previously Acquired Additional Guarantor and the Relevant Additional Guarantor hereby agree to be jointly and severally liable); and
- (iv) without prejudice to the generality of paragraphs (ii) and (iii) above, the Relevant Additional Guarantor agrees that it will be a guarantor under the Guarantee in respect of the full amount of the Loans, interest thereon and all other sums which may be or become due to the Finance Parties pursuant to any of the Finance Documents.

36.6 Repetition of Representations

Delivery of an Accession Deed in respect of an Additional Guarantor constitutes confirmation by that Additional Guarantor that the representations and warranties referred to in paragraph (d) of clause 20.37 (*Times when representations made*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

Section 10 - The Finance Parties

37 Roles of Agent, Security Agent, EIFO Agent and Arranger

37.1 Appointment of the Agent and Security Agent

Each other Finance Party (other than the Security Agent) appoints:

- (a) the Agent to act as its agent under and in connection with the Finance Documents and the EIFO Guarantee Policy and as its agent and as trustee under the Security Documents;
- (b) the Security Agent to act as its agent and as trustee under the Finance Documents to which it is or is intended to be a party;
and
- (c) the Security Agent as agent (in Danish: *fuldmægtig and repræsentant*) to receive and hold the Transaction Security under the Security Documents governed by Danish law on behalf of and for the benefit of the Finance Parties and to be entitled to exercise all rights and remedies under and in accordance with such Security Documents in its own name or in the name of any of the Finance Parties and the Security Agent agrees to receive and hold the Transaction Security accordingly. The Security Documents shall be granted by the relevant Obligors to the Security Agent as agent (in Danish: *fuldmægtig and repræsentant*) for the Finance Parties in accordance with Section 18(1), cf. Section 1(2) of the Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*). Each Obligor acknowledges that the Security Agent shall act as agent (in Danish: *fuldmægtig and repræsentant*) for the Finance Parties.

37.2 Security Agent as trustee

The Security Agent declares that it holds the Security Property on trust for itself and the other Finance Parties on the terms contained in this Agreement.

37.3 Authorisation of Agent and Security Agent

Each of the Finance Parties authorises the Agent and the Security Agent:

- (a) to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent or (as the case may be) the Security Agent under or in connection with the Finance Documents and the EIFO Guarantee Policy together with any other incidental rights, powers, authorities and discretions; and
- (b) to execute each of the Security Documents and all other documents that may be approved by the Majority Lenders for execution by it.

37.4 Instructions to Agent and the Security Agent

(a) The Agent and the Security Agent shall:

- (i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent or (as the case may be) the Security Agent in accordance with any instructions given to it by:
 - (A) all the Lenders or the Majority Lenders and/or EIFO (as the case may be) if the relevant Finance Document stipulates the matter requires such decision; and
 - (B) in all other cases, the Majority Lenders;
and
- (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if the relevant Finance Document stipulates the matter

is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).

- (b) The Agent and the Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties or EIFO, from that Finance Party or group of Finance Parties or EIFO) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent or (as the case may be) the Security Agent may refrain from acting unless and until it receives those instructions or that clarification.
- (c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties or EIFO under the relevant Finance Document and, unless a contrary indication appears in a Finance Document, any instructions given to the Agent or (as the case may be) the Security Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) Paragraph (a) above shall not apply:
 - (i) where a contrary indication appears in a Finance Document;
 - (ii) where a Finance Document requires the Agent or the Security Agent to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Agent's or the Security Agent's own position in its personal capacity as opposed to its role of the Agent or the Security Agent for the Finance Parties including, without limitation, clauses 37.9 (*No duty to account*) to clause 37.14 (*Exclusion of liability*), clause 37.20 (*Confidentiality*) to clause 38.6 (*Custodians and nominees*) and clauses 38.9 (*Acceptance of title*) to 38.12 (*Disapplication of Trustee Acts*).
- (e) If giving effect to instructions given by any other Finance Party or group of Finance Parties would (in the Agent's or (as the case may be) the Security Agent's opinion) have an effect equivalent to an amendment or waiver which is subject to clause 51 (*Amendments and waivers*), the Agent or (as the case may be) the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than itself) whose consent would have been required in respect of that amendment or waiver.
- (f) The Agent or the Security Agent may refrain from acting in accordance with any instructions of any other Finance Party or group of Finance Parties or EIFO until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.
- (g) Without prejudice to the provisions of clause 39 (*Enforcement of Transaction Security*) and the remainder of this clause 37, in the absence of instructions, the Agent and the Security Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

37.5 Legal or arbitration proceedings

Neither the Agent nor the Security Agent is not authorised to act on behalf of another Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document or the EIFO Guarantee Policy. This clause 37.5 shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security.

37.6 Duties of the Agent and the Security Agent

- (a) The Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Agent or (as the case may be) the Security Agent shall promptly
 - (i) (in the case of the Security Agent) forward to the Agent a copy of any document received by the Security Agent from any Obligor under any Finance Document; and
 - (ii) forward to a Party the original or a copy of any document which is delivered to the Agent or (as the case may be) the Security Agent for that Party by any other Party.
- (c) Without prejudice to clause 35.9 (*Copy of Transfer Certificate to Borrower*), paragraph (b) above shall not apply to any Transfer Certificate.
- (d) Except where a Finance Document specifically provides otherwise, neither the Agent nor the Security Agent is obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) Without prejudice to clause 40.12 (*Notification of prescribed events*), if the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties and EIFO through the EIFO Agent.
- (f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or an Arranger or the Security Agent for their own account) under this Agreement, it shall promptly notify the other Finance Parties and EIFO through the EIFO Agent.
- (g) The Agent and the Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

37.7 Role of the Arrangers

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document or the transactions contemplated by the Finance Documents.

37.8 No fiduciary duties

Nothing in any Finance Document constitutes the Agent, the Security Agent, the EIFO Agent or any Arranger as a trustee or fiduciary of any other person except to the extent that the Security Agent acts as trustee for the other Finance Parties pursuant to clause 37.1(c) (*Security Agent as trustee*).

37.9 No duty to account

None of the Agent, the Security Agent, the EIFO Agent, any Arranger or any Ancillary Lender shall be bound to account to any other Finance Party for any sum or the profit element of any sum received by it for its own account.

37.10 Business with the Group

The Security Agent, the EIFO Agent, Arranger and each Ancillary Lender may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Obligor or other Group Member or their Affiliates.

37.11 Rights and discretions of the Agent and the Security Agent

- (a) The Agent and the Security Agent may:
- (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
 - (ii) assume that:
 - (A) any instructions received by it from the Majority Lenders, any Lenders or other Finance Parties or any group of Lenders or other Finance Parties are duly given in accordance with the terms of the Finance Documents;
 - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
 - (C) in the case of the Security Agent, if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Finance Documents for so acting have been satisfied; and
 - (iii) rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Agent and the Security Agent may assume (unless it has received notice to the contrary in its capacity as agent or (as the case may be) security trustee for the other Finance Parties) that:
- (i) no Default has occurred (unless (in the case of the Agent) it has actual knowledge of a Default arising under clause 33.1(*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and
 - (iii) any notice or request made by the Borrower (other than (in the case of the Agent) a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) Each of the Agent and the Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below each of the Agent and the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to it (and so separate from any lawyers instructed by the Lenders or any other Finance Party) if it, in its reasonable opinion, deems this to be desirable.
- (e) Each of the Agent and the Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts (whether obtained by it or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

- (f) The Agent, the Security Agent, any Receiver and any Delegate may act in relation to the Finance Documents, the Transaction Security and the Security Property through its officers, employees and agents and shall not:
- (i) be liable for any error of judgment made by any such person;
or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person,
- unless such error or such loss was directly caused by the Agents, the Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct.
- (g) Unless any Finance Document expressly specifies otherwise, the Agent or the Security Agent may disclose to any other Party any information it reasonably believes it has received as agent or security trustee under this Agreement.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Security Agent nor any Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (i) Notwithstanding any provision of any Finance Document to the contrary, neither the Agent nor the Security Agent is obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
- (j) Neither the Agent nor any Arranger shall be obliged to request any certificate, opinion or other information under clause 21 (*Information undertakings*) unless so required in writing by a Lender or any Hedging Provider, in which case the Agent shall promptly make the appropriate request of the Borrower if such request would be in accordance with the terms of this Agreement.

37.12 Responsibility for documentation and other matters

- (a) None of the Agent, the Security Agent, any Arranger, any Ancillary Lender, any Receiver or any Delegate is responsible or liable for:
- (i) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Security Agent, any Arranger, an Ancillary Lender, an Obligor or any other person in or in connection with any Finance Document, the EIFO Guarantee Policy or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document and the EIFO Guarantee Policy;
 - (ii) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the EIFO Guarantee Policy, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document, the EIFO Guarantee Policy, the Transaction Security or the Security Property;
 - (iii) the application of any Basel Regulation to the transactions contemplated by the Finance Documents or the EIFO Guarantee Policy;
 - (iv) (in the case of the Security Agent) any loss to the Security Property arising in consequence of the failure, depreciation or loss of any Charged Property or any investments made or retained in good faith or by reason of any other matter or thing;

- (v) the failure of any Obligor or EIFO or any other party to perform its obligations under any Transaction Document or the EIFO Guarantee Policy or the financial condition of any such person;
 - (vi) (save as otherwise provided in this clause 37) taking or omitting to take any other action under or in relation to the Security Documents;
 - (vii) failing to register any of the Security Documents or the EIFO Guarantee Policy in accordance with the provisions of the documents of title of any Obligor to any of the Charged Property;
 - (viii) any other beneficiary of a Security Document failing to perform or discharge any of its duties or obligations under any Finance Document; or
 - (ix) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by any applicable law or regulation relating to insider dealing or otherwise.
- (b) The Agent is not responsible or liable for the adequacy, accuracy or completeness of any Green Loan Information (whether oral or written) supplied by the Borrower, any Group Member, the External Reviewer or any other person in or in connection with any Green Loan Report and/or any Green Loan Provisions contemplated in this Agreement or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Facility.

37.13 No duty to monitor

Neither the Agent nor the Security Agent shall be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party or any Obligor of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.
- (d) whether or not any Declassification Event, Green Loan or a Green Loan Compliance Certificate Inaccuracy has occurred; or
- (e) as to the performance, default or any breach by any Obligor of its obligations under any Green Loan Provision.

37.14 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent, the Security Agent, any Ancillary Lender, any Receiver or Delegate), none of the Agent, the Security Agent, any Ancillary Lender, any Receiver nor any Delegate will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Security Property or the EIFO Guarantee Policy, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Security Property, the EIFO Guarantee Policy or any other agreement, arrangement or document entered into,

made or executed in anticipation of, under or in connection with, any Finance Document, the EIFO Guarantee Policy or the Security Property;

- (iii) any shortfall which arises on the enforcement or realisation of the Security Property;
or
- (iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control;
or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event), breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the Agent, the Security Agent, an Ancillary Lender, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Agent, the Security Agent, any Ancillary Lender, a Receiver or a Delegate in respect of any claim it might have against the Agent, the Security Agent, an Ancillary Lender, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document, the EIFO Guarantee Policy or any Security Property and any officer, employee or agent of the Agent, the Security Agent, any Ancillary Lender, a Receiver or a Delegate may rely on this clause subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) Neither of the Agent or the Security Agent will be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.
- (d) Nothing in any Finance Document shall oblige the Agent the Security Agent, or any Arranger to carry out
 - (i) any “know your customer” or other checks in relation to any person;
or
 - (ii) any check on the extent to which any transaction contemplated by any of the Finance Documents might be unlawful for any Finance Party or for any Affiliate of any Finance Party,

on behalf of any other Finance Party and each other Finance Party confirms to the Agent, the Security Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent, the Security Agent or any Arranger.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Agent, the Security Agent, any Receiver or any Delegate, any liability of the Agent, the Security Agent, any Receiver or any Delegate arising under or in connection with any Finance Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent, the Security Agent, Receiver or Delegate (as

the case may be) or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent, the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the amount of that loss. In no event shall the Agent, the Security Agent, any Receiver or any Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent, the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages.

- (f) The Agent is not acting in an advisory capacity to any person in respect of the GLP nor will the Agent be obliged to verify whether any Facility will comply with the GLP on behalf of any of the Finance Parties or EIFO and each Finance Party and EIFO is solely responsible at all times for making its own independent appraisal of, and analysis in relation to, each Green Loan Criteria, the Green Loan Information and any other Green Loan Provision of this Agreement.

37.15 Lenders' indemnity to the Agent and others

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their being reduced to zero) indemnify the Agent, the Security Agent, every Receiver and every Delegate, within three Business Days of demand, against any Losses (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them (otherwise than by reason of the relevant Agent's, Security Agent's Receiver's or Delegate's gross negligence or wilful misconduct) (or, in the circumstances contemplated pursuant to clause 45.10 (*Disruption to payment systems etc.*), notwithstanding the Agent's negligence, gross negligence, or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent, Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Finance Documents and, to the extent applicable, the EIFO Guarantee Policy (unless the relevant Agent, Security Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) Subject to paragraph (c) below, the Borrower shall immediately on demand reimburse any Lender for any payment that Lender makes to the Agent or the Security Agent or any Receiver or Delegate pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent or the Security Agent to an Obligor.

37.16 Resignation of the Agent or the Security Agent

- (a) The Agent or the Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties, the EIFO Agent and the Borrower.
- (b) Alternatively the Agent or the Security Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrower, in which case the Majority Lenders may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent or Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent or Security Agent (after consultation with (in the case of the Agent) the Borrower) or (in the case of the Security Agent) the Agent may appoint a successor Agent or Security Agent.
- (d) If the Agent or the Security Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent or trustee and the Agent or the Security Agent is entitled to appoint a successor Agent or (as the case may be) the Security Agent under paragraph (c) above, the Agent or (as the case may be) the Security

Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent or (as the case may be) the Security Agent to become a party to this Agreement as Agent or (as the case may be) the Security Agent) agree with the proposed successor Agent or (as the case may be) the Security Agent amendments to this clause 37 and any other term of this Agreement dealing with the rights or obligations of the Agent or (as the case may be) the Security Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the fee payable to it in its capacity as Agent or (as the case may be) the Security Agent under this Agreement which are consistent with the successor Agent's or (as the case may be) the Security Agent's normal fee rates and those amendments will bind the Parties.

- (e) The retiring Agent the Security Agent, shall make available to the successor Agent or Security Agent such documents and records and provide such assistance as the successor Agent or Security Agent may reasonably request for the purposes of performing its functions as Agent or (as the case may be) the Security Agent under the Finance Documents. The Borrower shall, within three Business Days of demand, reimburse the retiring Agent or (as the case may be) the Security Agent for the amount of all costs and expenses (including legal fees) (together with any applicable VAT) properly incurred by it in making available such documents and records and providing such assistance.
- (f) The Agent's or Security Agent's resignation notice shall only take effect upon:
 - (i) the appointment of a successor;
and
 - (ii) (in the case of the Security Agent) the transfer or assignment of all the Transaction Security and the other Security Property to that successor and any appropriate filings or registrations, any notices of transfer or assignment and the payment of any fees or duties related to such transfer or assignment which the Security Agent considers necessary or advisable have been duly completed.
- (g) Upon the appointment of a successor, the retiring Agent or Security Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of clause 38.10 (*Winding up of trust*) and paragraph (e) above) but shall remain entitled to the benefit of clauses 16.4 (*Indemnity to the Agent, the Security Agent, the EIFO Agent and EIFO*) and 16.5 (*Indemnity concerning security*) and this clause 37 (and any agency or other fees for the account of the retiring Agent or the Security Agent in its capacity as such shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under clause 14.8 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to clause 14.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Agent, requires it to resign.

37.17 Replacement of the Agent

- (a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent replace the Agent by appointing a successor Agent.
- (b) The retiring Agent shall (at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of clauses 16.4 (*Indemnity to the Agent, the Security Agent, the EIFO Agent and EIFO*) and this clause 37 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (e) Paragraph (f) of clause 37.16 (*Resignation of the Agent or the Security Agent*) shall apply to any replacement of the Agent under this clause 37.17.

37.18 Replacement of the Security Agent

- (a) The Majority Lenders may, by notice to the Security Agent, require the Security Agent to resign in accordance with paragraph (b) of clause 37.16 (*Resignation of the Agent or the Security Agent*). In this event, the Security Agent shall resign in accordance with that paragraph but the cost referred to in paragraph (a) of clause 37.16 (*Resignation of the Agent or the Security Agent*) shall be for the account of the Borrower.
- (b) Any person appointed and replacing the Security Agent (or a successor Security Agent) shall automatically act as agent and representative (Da: *fuldmægtig og repræsentant*) in accordance with section 18(1), cf. section 1(2), of the Danish Capital Markets Act and be entitled to exercise all rights and remedies under and in accordance with this Agreement in its own name or in the name of any of the Finance Parties.

37.19 Information from the Finance Parties

Each Finance Party shall supply the Agent or the Security Agent with any information that the Agent or (as the case may be) the Security Agent may reasonably specify as being necessary or desirable to enable the Agent or (as the case may be) the Security Agent to perform its functions as Agent or (as the case may be) the Security Agent.

37.20 Confidentiality

- (a) In acting as agent or trustee for the Finance Parties, the Agent or (as the case may be) the Security Agent shall be regarded as acting through its agency, trustee or other division or department directly responsible for the management of the Finance Documents which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent or (as the case may be) the Security Agent, it may be treated as confidential to that division or department and the Agent or (as the case may be) the Security Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any Arranger is obliged to disclose to any other person (i) any confidential

information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

37.21 Agent's relationship with the Lenders and Hedging Providers

(a) The Agent may treat the person shown in its records as Lender or as a Hedging Provider at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender or (as the case may be) as a Hedging Provider acting through its Facility Office:

- (i) entitled to or liable for any payment due under any Finance Document on that day;
and
- (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days prior notice from that Lender or (as the case may be) as a Hedging Provider to the contrary in accordance with the terms of this Agreement.

(b) Any Lender or Hedging Provider may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender or (as the case may be) Hedging Provider under the Finance Documents. Such notice shall contain the address and (where communication by electronic mail or other electronic means is permitted under clause 47.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, electronic mail address, department and officer (or such other information) by that Lender or (as the case may be) Hedging Provider for the purposes of clause 47.2 (*Addresses*) and clause 47.5 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender or (as the case may be) Hedging Provider.

37.22 Information from the Finance Parties

Each Finance Party shall supply the Agent with any information that the Agent may reasonably specify as being necessary or desirable to enable the Agent to perform its functions as Agent.

37.23 Credit appraisal by the Finance Parties and Ancillary Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each other Finance Party and Ancillary Lender confirms to the Agent, the Security Agent, the Arrangers and each Ancillary Lender that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each Obligor and other Group Members and EIFO;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the EIFO Guarantee Policy, the Transaction Security, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document, the Transaction Security or the Security Property or the EIFO Guarantee Policy;
- (c) the application of any Basel Regulation to the transactions contemplated by the Finance Documents or the EIFO Guarantee Policy;

- (d) whether that Finance Party or Ancillary Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document or the EIFO Guarantee Policy, the Transaction Security, the Security Property, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document, the Transaction Security or the Security Property;
- (e) the adequacy, accuracy or completeness of any information provided by the Agent, the Security Agent, the Arrangers or any other Party or by any other person under or in connection with, the transactions contemplated by any Transaction Document, the EIFO Guarantee Policy or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the EIFO Guarantee Policy; and
- (f) the right or title of any person in or to, or the value or sufficiency of, any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security Interest affecting the Charged Property.

37.24 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

37.25 Reliance and engagement letters

Each of the Agent, the Security Agent and the Arrangers may enter into any reliance letter or engagement letter relating to any valuations, reports, opinions or letters or advice or assistance provided by lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts in connection with the Transaction Documents or the transactions contemplated in the Finance Documents on such terms as it may consider appropriate (including, without limitation, restrictions on the lawyer's, accountant's, tax adviser's, insurance consultant's, vessel manager's, valuer's, surveyor's or other professional adviser's or expert's liability and the extent to which their valuations, reports, opinions or letters may be relied on or disclosed).

37.26 Amounts paid in error

- (a) If the Agent or the Security Agent pays an amount to another Party and the Agent or (as the case may be) the Security Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Agent shall on demand refund the same to the Agent or (as the case may be) the Security Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent or (as the case may be) the Security Agent to reflect its cost of funds.
- (b) Neither:
 - (i) the obligations of any Party to the Agent or the Security Agent;
nor
 - (ii) the remedies of the Agent or the Security Agent,

(whether arising under this clause 37.26 or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing (including, without limitation, any obligation pursuant to which an Erroneous Payment is made) which, but for this paragraph (b), would reduce, release, preclude or prejudice any such obligation or remedy (whether or not known by the Agent or (as the case may be) the Security Agent or any other Party).

- (c) All payments to be made by a Party to the Agent or Security Agent (whether made pursuant to this clause 37.26 or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) In this Agreement, "**Erroneous Payment**" means a payment of an amount by the Agent or the Security Agent to another Party which the Agent or (as the case may be) the Security Agent determines (in its sole discretion) was made in error.

38 Trust and security matters

38.1 Undertaking to pay

- (a) Each Obligor who is a Party undertakes with the Security Agent as trustee for the Finance Parties that it will, on demand by the Security Agent, pay to the Agent as trustee for the Finance Parties all money from time to time owing to the other Finance Parties (in addition to paying any money owing under the Finance Documents to the Security Agent for its own account), and discharge all other obligations from time to time incurred, by it under or in connection with the Finance Documents.
- (b) Each payment which such an Obligor makes to another Finance Party in accordance with any Finance Document shall, to the extent of the amount of that payment, satisfy that Obligor's corresponding obligation under paragraph (a) above to make that payment to the Security Agent.

38.2 Parallel debt

- (a) Additional definitions:

In this clause:

Corresponding Debt means any amount, other than any Parallel Debt, which an Obligor owes from time to time to a Finance Party under or in connection with the Finance Documents.

Parallel Debt means any amount which an Obligor owes to the Security Agent under clause 38.2(b) below or under that clause as incorporated by reference or in full in any other Finance Document.

- (b) Each Obligor irrevocably and unconditionally undertakes to pay to the Security Agent its Parallel Debt which shall be amounts equal to, and in the currency or currencies of, its Corresponding Debt.
- (c) The Parallel Debt of an Obligor:
 - (i) shall become due and payable at the same time as its Corresponding Debt; and
 - (ii) is independent and separate from, and without prejudice to, its Corresponding Debt.
- (d) For the purposes of this clause 38.2, the Security Agent:
 - (i) is the independent and separate creditor of each Parallel Debt;
 - (ii) acts in its own name and not as agent, representative or trustee of the Finance Parties and its claims in respect of each Parallel Debt shall not be held on trust; and
 - (iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

- (e) Other than as set out in clause 38.2(f) below, the undertaking to pay Parallel Debt shall not limit or affect the existence of the Corresponding Debt, for which the Finance Parties shall have an independent right to demand performance.
- (f) The rights of the Finance Parties to receive payment of the Corresponding Debt are several from the rights of the Security Agent to receive payment of the Parallel Debt, provided that the Parallel Debt of an Obligor shall be:
 - (i) decreased to the extent that its Corresponding Debt has been irrevocably and unconditionally paid or discharged;
and
 - (ii) increased to the extent that its Corresponding Debt has increased,and the Corresponding Debt of an Obligor shall be:
 - (A) decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged;
and
 - (B) increased to the extent that its Parallel Debt has increased,in each case provided that the Parallel Debt of an Obligor shall never exceed its Corresponding Debt.
- (g) All amounts received or recovered by the Security Agent in connection with this clause 38.2 to the extent permitted by applicable law, shall be applied in accordance with clause 40.1 (*Order of application*).
- (h) This clause 38.2 shall apply, with any necessary modifications, to each Finance Document.

38.3 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

- (a) ascertain whether all deeds and documents which should have been deposited with it under or pursuant to any of the Security Documents have been so deposited;
- (b) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Charged Property;
- (c) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Transaction Security;
- (d) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Transaction Security;
- (e) take, or to require any Obligor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security Interest under any law or regulation; or
- (f) require any further assurance in relation to any Security Document.

38.4 Insurance by Security Agent

- (a) The Security Agent shall not be obliged:
 - (i) to insure any of the Charged Property;

- (ii) to require any other person to maintain any insurance;
or
- (iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document,

and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Agent requests it to do so in writing and the Security Agent fails to do so within fourteen days after receipt of that request.

38.5 Common parties

Although the Agent and the Security Agent may from time to time be the same entity, that entity will have entered into the Finance Documents (to which it is party) in its separate capacities as agent for the other Finance Parties and (as appropriate) security agent and trustee for all of the other Finance Parties. Where any Finance Document provides for an Agent or Security Agent to communicate with or provide instructions to the other, while they are the same entity, such communication or instructions will not be necessary.

38.6 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

38.7 Delegation by the Security Agent

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Finance Parties.
- (c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

38.8 Additional trustees

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:
 - (i) if it considers that appointment to be in the interests of the Finance Parties;
 - (ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant;
or
 - (iii) for obtaining or enforcing any judgment in any jurisdiction,

and the Security Agent shall give prior notice to the Borrower and the Finance Parties of that appointment.

- (b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.
- (d) At the request of the Security Agent, the other Parties shall forthwith execute all such documents and do all such things as may be required to perfect such appointment or removal and each such Party irrevocably authorises the Security Agent in its name and on its behalf to do the same.
- (e) Such a person shall accede to this Agreement as a Security Agent to the extent necessary to carry out their role on terms satisfactory to the Security Agent.
- (f) The Security Agent shall not be bound to supervise, or be responsible for any loss incurred by reason of any act or omission of, any such person if the Agent shall have exercised reasonable care in the selection of such person.

38.9 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Obligor may have to any of the Charged Property and shall not be liable for, or bound to require any Obligor to remedy, any defect in its right or title.

38.10 Winding up of trust

If the Security Agent, with the approval of the Agent, determines that:

- (a) all of the Secured Obligations and all other obligations secured by the Security Documents have been fully and finally discharged; and
- (b) no Finance Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents,

then:

- (i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Agent under each of the Security Documents; and
- (ii) any Security Agent which has resigned pursuant to clause 37.16 (*Resignation of the Agent or the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

38.11 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

38.12 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

38.13 Role of the EIFO Agent

- (a) Each of the Facility C Lenders, the Agent and the Security Agent appoints the EIFO Agent to act as its Agent for the purposes of dealing with EIFO in respect of the EIFO Guarantee Policy and the EIFO Agent accepts the appointment on and subject to the terms of this clause 38.13.
- (b) The EIFO Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (c) The EIFO Agent shall promptly forward to the Agent the original or a copy of any document which is delivered to the EIFO Agent for another Party and shall promptly forward to EIFO (in accordance with the provision of the EIFO Guarantee Policy) the original or a copy of any document which is delivered to the EIFO Agent by any other Party.
- (d) Except where a Finance Document specifically provides otherwise, the EIFO Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) Clauses 37.11(f), 37.11(g) and 37.11(i) (*Rights and discretions of the Agent and the Security Agent*), 37.12 (*Responsibility for documentation and other matters*), 37.13 (*No duty to monitor*), 37.14 (*Exclusion of liability*), 37.16 (*Resignation of the Agent or the Security Agent*), 37.20 (*Confidentiality*), 37.21 (*Agent's relationship with the Lenders and Hedging Providers*), 37.23 (*Credit appraisal by the Finance Parties and Ancillary Lenders*) and 37.24 (*Deduction from amounts payable by the Agent*) shall each extend so as to apply to the EIFO Agent in its capacity as such and for that purpose each reference to the "Agent" in these clauses shall extend to include in addition a reference to the "EIFO Agent" in its capacity as such, provided, that any change, substitution or resignation of the EIFO Agent shall be subject to any consent requirement pursuant to the EIFO Guarantee Policy, and references to "Lenders" in these clauses shall be to "Facility C Lenders".
- (f) All communication between the Finance Parties and EIFO shall be carried out exclusively through the EIFO Agent.
- (g) Each Facility C Lender shall deal with the EIFO Agent exclusively through the Agent and shall not deal directly with the EIFO Agent.

38.14 EIFO Guarantee Policy

Each Facility C Lender represents and warrants to the EIFO Agent that, to the best of its knowledge, with effect from the date it receives the EIFO Guarantee Policy, (i) it has reviewed such EIFO Guarantee Policy and is aware of the provisions thereof, (ii) any representations and warranties made by the EIFO Agent on behalf of each Facility C Lender under the such EIFO Guarantee Policy are true and correct with respect to such Facility C Lender in all respects, and (iii) no information provided by such Facility C Lender in writing to the EIFO Agent or to EIFO prior to the date hereof was incomplete, untrue or incorrect in any respect except to the extent that such Facility C Lender, in the exercise of reasonable care and due diligence prior to the giving of the information, could not have discovered the error or omission. Each Facility C Lender, to the best of its knowledge, represents and warrants to the EIFO Agent that it has not taken (or failed to take), and agrees with the EIFO Agent that it shall not take (or fail to take), any action that would result in the EIFO Agent being in breach of any of its obligations in its capacity as EIFO

Agent under the EIFO Guarantee Policy or the Finance Documents, or result in any of the Facility C Lenders being in breach of any of their respective obligations as insured parties, under the EIFO Guarantee Policy, or which would otherwise prejudice the EIFO Agent's ability to make a claim on behalf of the Lenders under the EIFO Guarantee Policy.

38.15 EIFO Agent actions

- (a) Without prejudice to paragraph (b) below, the EIFO Agent agrees to take such actions under the EIFO Guarantee Policy (including with respect to any amendment, modification or supplement to the EIFO Guarantee Policy) as may be directed on the unanimous instructions of the Facility C Lenders from time to time; provided that, anything herein or in the EIFO Guarantee Policy to the contrary notwithstanding, the EIFO Agent shall not be obliged to take any such action or to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder or thereunder if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it or if such action would be contrary to applicable law.
- (b) The EIFO Agent shall, if instructed to do so by any Facility C Lender (and in its capacity as EIFO Agent under the EIFO Guarantee Policy), submit a demand for payment under the EIFO Guarantee Policy as soon as reasonably practicable following the receipt of instructions to do so by any Facility C Lender. Such demand for payment shall be submitted on behalf of all Facility C Lenders but, for the avoidance of doubt, each Facility C Lender may independently instruct the EIFO Agent to make such demand for payment and the EIFO Agent shall not require the consent of any other Facility C Lender to make such demand for payment.

38.16 Examination of documents by the Agent and the EIFO Agent

Without prejudice to the obligations of the EIFO Agent under the EIFO Guarantee Policy, the Borrower and each Lender hereby unconditionally and irrevocably agree that the Agent's and the EIFO Agent's responsibility for the examination of any Finance Document, the EIFO Guarantee Policy or any other document received with respect thereto shall be limited to ascertaining that such document appears on its face (or, if any such document is not only in English, the English translation or version of which appears on its face) to be in accordance with its description.

For the purposes of this clause 38.16, **appearing on its face** has the meaning given to that term in the latest version of the Uniform Customs Practice for Documentary Credits of the International Chamber of Commerce.

39 Enforcement of Transaction Security

39.1 Enforcement Instructions

- (a) The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by the Majority Lenders.
- (b) Subject to the Transaction Security having become enforceable in accordance with its terms, the Majority Lenders may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.
- (c) The Agent is entitled to rely on and comply with instructions given in accordance with this clause 39.1.

39.2 Manner of enforcement

If the Transaction Security is being enforced pursuant to clause 39.1 (*Enforcement Instructions*), the Security Agent shall enforce the Transaction Security in such manner as the Majority Lenders shall instruct or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate.

39.3 Waiver of rights

To the extent permitted under applicable law and subject to clause 39.1 (*Enforcement Instructions*), clause 39.2 (*Manner of enforcement*) and clause 40 (*Application of Proceeds*), each of the Finance Parties and the Obligors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

39.4 Enforcement through Security Agent only

- (a) The other Finance Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising or to grant any consents or releases under the Security Documents except through the Security Agent (or, if applicable, on the instructions of EIFO) or as required and permitted by this clause 39.4.
- (b) Where a Finance Party (other than the Security Agent) is a party to a Security Document that Finance Party shall:
 - (i) promptly take such action as the Security Agent may reasonably require (acting on the instructions of the Agent) to enforce, or have recourse to, any of the Transaction Security constituted by such Security Document or, for such purposes, to exercise any right, power, authority or discretion arising or to grant any consents or releases under such Security Document or (subject to clause 51.6 (*Releases*)) to release, reassign and/or discharge any such Transaction Security or any guarantee or other obligations under any such Security Document; and
 - (ii) not take any such action except as so required or (in the case of a release) for a release which is expressly permitted or required by the Finance Documents.
- (c) Each Finance Party (other than the Security Agent) which is party to a Security Document shall, promptly upon being requested by the Security Agent to do so, grant a power of attorney or other sufficient authority to the Security Agent or its legal advisers to enable the Security Agent or such legal advisers to enforce or have recourse in the name of such Finance Party to the relevant Transaction Security constituted by such Security Document or to exercise any such right, power, authority or discretion or to grant any such consent or release under such Security Document or to release, reassign and/or discharge any such Transaction Security on behalf of such Finance Party.

40 Application of proceeds

40.1 Order of application

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (other than any amounts received under the EIFO Guarantee Policy, which are for the account of the Facility C Lenders as specified therein) (for the purposes of this clause 40, the **Recoveries**) shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this clause 40), in the following order of priority:

- (a) in discharging any sums owing to the Security Agent (other than pursuant to clause 38.1 (*Undertaking to pay*) or clause 38.2 (*Parallel debt*)), any Receiver or any Delegate;
- (b) in discharging all costs and expenses incurred by any Finance Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement;

- (c) in payment or distribution to the Agent on its own behalf and on behalf of the other Finance Parties and EIFO for application in accordance with clause 45.5 (*Partial payments*);
- (d) if none of the Obligors is under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Obligor; and
- (e) the balance, if any, in payment or distribution to the relevant Obligor.

The foregoing shall be without prejudice to any payment waterfall provisions set forth in the EIFO Guarantee Policy in respect of the proceeds of the EIFO Guarantee Policy, which shall govern the payment by EIFO of the proceeds of the EIFO Guarantee Policy and the sharing of such proceeds by the Facility C Lenders.

40.2 Security proceeds realised by other Finance Parties

Where a Finance Party (other than the Security Agent) is a party to a Security Document and that Finance Party receives or recovers any amounts pursuant to the terms of that Security Document or in connection with the realisation or enforcement of all or any part of the Transaction Security which is the subject of that Security Document then, subject to the terms of that Security Document and to the extent permitted by applicable law, such Finance Party shall account to the Security Agent for those amounts and the Security Agent shall apply them in accordance with clause 40.1 (*Order of application*) as if they were Recoveries for the purposes of such clause or (if so directed by the Security Agent) shall apply those amounts in accordance with clause 40.1 (*Order of application*).

40.3 Investment of cash proceeds

Prior to the application of any Recoveries in accordance with clause 40.1 (*Order of Application*) the Security Agent may, in its discretion, hold:

- (a) all or part of any Recoveries which are in the form of cash; and
- (b) any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any proceeds of the Security Property which are not in the form of cash

in one or more interest bearing suspense or impersonal accounts in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of this clause 40.

40.4 Currency conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may:
 - (i) convert any moneys received or recovered by the Security Agent from one currency to another; and
 - (ii) notionally convert the valuation provided in any opinion or valuation from one currency to another,

in each case at the Security Agent's spot rate of exchange for the purchase of that other currency with the currency in which the relevant moneys are received or recovered or the valuation is provided in the London foreign exchange market at or about 11:00 am (London time) on a particular day.

- (b) The obligations of any Obligor to pay in the due currency shall only be satisfied:

- (i) in the case of paragraph (a)(i) above, to the extent of the amount of the due currency purchased after deducting the costs of conversion; and
- (ii) in the case of paragraph (a)(ii) above, to the extent of the amount of the due currency which results from the notional conversion referred to in that paragraph.

40.5 Permitted Deductions

The Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties or exercising its rights, powers, authorities and discretions, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

40.6 Good discharge

- (a) Any distribution or payment to be made in respect of the Secured Obligations by the Security Agent may be made to the Agent on behalf of the Finance Parties.
- (b) Any distribution or payment made as described in paragraph (a) above shall be a good discharge, to the extent of that payment or distribution, the Security Agent to the extent of that payment.
- (c) The Security Agent is under no obligation to make the payments to the Agent under paragraph (a) above in the same currency as that in which the Secured Obligations owing to the relevant Finance Party are denominated pursuant to the relevant Finance Document.

40.7 Calculation of amounts

For the purpose of calculating any person's share of any amount payable to or by it, the Agent shall be entitled to:

- (a) notionally convert the Secured Obligations owed to any person into a common base currency (decided in its discretion by the Security Agent), that notional conversion to be made at the spot rate at which the Security Agent is able to purchase the notional base currency with the actual currency of the Secured Obligations owed to that person at the time at which that calculation is to be made; and
- (b) assume that all amounts received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Secured Obligations in accordance with the terms of the Finance Documents under which those Secured Obligations have arisen.

40.8 Release to facilitate enforcement and realisation

- (a) Each Finance Party acknowledges that, for the purpose of any enforcement action by the Security Agent or a Receiver and/or maximising or facilitating the realisation of the Charged Property, it may be desirable that certain rights or claims against an Obligor and/or under certain of the Transaction Security, be released.
- (b) Each other Finance Party hereby irrevocably authorises the Security Agent (acting on the instructions of the Agent) to grant any such releases to the extent necessary to effect such enforcement action and/or realisation including, to the extent necessary for such purpose, to execute release documents in the name of and on behalf of the other Finance Parties.
- (c) Where the relevant enforcement is by way of disposal of shares in an Owner, the requisite release may include releases of all claims (including under guarantees) of the Finance

Parties and/or the Security Agent against such Owner and of all Security Interests over its assets.

40.9 Dealings with Security Agent

Each Finance Party shall deal with the Security Agent exclusively through the Agent.

40.10 Agent's dealings with Hedging Provider

The Agent shall not be under any obligation to act as agent or otherwise on behalf of any Hedging Provider except as expressly provided for in, and for the purposes of, this Agreement.

40.11 Disclosure between Finance Parties and Security Agent

Notwithstanding any agreement to the contrary, each of the Obligors consents, until the end of the Facility Period, to the disclosure by any Finance Party to each other (whether or not through the Agent or the Security Agent) of such information concerning the Obligors as any Finance Party shall see fit.

40.12 Notification of prescribed events

- (a) If an Event of Default or Default either occurs or ceases to be continuing, the Agent shall, upon becoming aware of that occurrence or cessation, notify the Security Agent.
- (b) If the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each other Finance Party of that action.
- (c) If any Finance Party exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Finance Party of that action.
- (d) If an Obligor defaults on any payment due under a Hedging Contract, the Hedging Provider which is party to that Hedging Contract shall, upon becoming aware of that default, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Agent.
- (e) If a Hedging Provider terminates or closes-out, in whole or in part, any Hedging Transaction under any Hedging Contract it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Agent.

41 Reference Banks

41.1 Role of Reference Banks

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.
- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.
- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this clause 41 subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

41.2 Third party Reference Banks

A Reference Bank which is not a Party may rely on clause 41 (*Role of Reference Banks*), paragraph (c) of clause 51.3 (*Other exceptions*) and clause 53 (*Confidentiality of Funding Rates and Reference Bank Quotations*) subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

42 Finance Parties tax affairs

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

43 Finance Parties acting together

- (a) Notwithstanding clause 2.4 (*Finance Parties' rights and obligations*), if the Agent makes a declaration under clause 33.20 (*Acceleration*) or notifies the other Finance Parties that it considers it is entitled to make such a declaration, the Agent shall, in the names of all the Finance Parties, take such action on behalf of the Finance Parties and conduct such negotiations with the Borrower and any Group Members and generally administer the Facilities in accordance with the wishes of the Majority Lenders. All the Finance Parties shall be bound by the provisions of this clause and no Finance Party shall take action independently against any Obligor or any of its assets without the prior consent of the Majority Lenders.
- (b) Paragraph (a) above shall not override clause 37 (*Roles of Agent, Security Agent, EIFO Agent and Arranger*) as it applies to the Security Agent.

43.2 Conflict and EIFO Guarantee Policy override

Without limiting in any manner the rights of the Lenders under the Facilities, and subject and without prejudice to any amendments, consents or waivers as may be given, consented or agreed to by the Agent which is contrary to or inconsistent with any vote exercised by the Facility C Lenders (acting on the instructions of EIFO):

- (a) in case of any conflict between the Finance Documents and the EIFO Guarantee Policy, the EIFO Guarantee Policy shall, as between the Facility C Lenders and EIFO, prevail, and to the extent of such conflict or inconsistency, none of the Facility C Lenders or the EIFO Agent shall assert to EIFO, the terms of the relevant Finance Documents; and
- (b) nothing in this Agreement or any Finance Document shall permit or oblige any Lender or the EIFO Agent to act (or omit to act) in a manner that is inconsistent with any requirement of EIFO under or in connection with the EIFO Guarantee Policy.

43.3 Prior consultation with EIFO

- (a) The Borrower acknowledges that the Agent may, under the terms of the EIFO Guarantee Policy, be required:
 - (i) to consult with the EIFO Agent (who shall in turn consult with EIFO), prior to the exercise of decisions under the Finance Documents (including the exercise of such voting rights in relation to any substantial amendment to any Finance Document); and

- (ii) to follow certain instructions given by the EIFO Agent (acting on the instructions of EIFO), subject to clause 43 (*Finance Parties acting together*).
- (b) Each Facility C Lender will be deemed to have acted reasonably if it has acted on the instructions of the Agent (given by the EIFO Agent (acting on the instructions of EIFO) to the Agent in accordance with the terms of the EIFO Guarantee Policy) in the making of any such decision or the taking or refraining from taking any action under any Finance Document to which it is a party.

44 Sharing among the Finance Parties

44.1 Payments to Finance Parties

- (a) If a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with clause 45 (*Payment mechanics*) (a **Recovered Amount**) and applies that amount to a payment due under the Finance Documents then:

- (i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
- (ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with clause 45 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (iii) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the **Sharing Payment**) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 45.5 (*Partial payments*),

but taking into account, for the avoidance of doubt, that any amounts paid under the EIFO Guarantee Policy are for the account of the Facility C Lenders as specified in the EIFO Guarantee Policy.

- (b) Paragraph (a) above shall not apply to any amount received or recovered by an Ancillary Lender in respect of any cash cover provided for the benefit of that Ancillary Lender.

44.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **Sharing Finance Parties**) in accordance with clause 45.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

44.3 Recovering Finance Party's rights

On a distribution by the Agent under clause 44.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor (but not from EIFO), as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

44.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the **Redistributed Amount**); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

44.5 Exceptions

- (a) This clause 44 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified that other Finance Party of the legal or arbitration proceedings;
 - (ii) the taking legal or arbitration proceedings was in accordance with the terms of this Agreement; and
 - (iii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

44.6 Ancillary Lenders

- (a) This clause 44 shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Lender at any time prior to the Agent exercising any of its rights under clause 33.20 (*Acceleration*).
- (b) Following the exercise by the Agent of any of its rights under clause 33.20 (*Acceleration*), this clause 44 shall apply to all receipts or recoveries by Ancillary Lenders.

Section 11 - Administration

45 Payment mechanics

45.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document (other than a Hedging Contract), and excluding a payment under the terms of an Ancillary Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Agent) and with such bank as the Agent, in each case, specifies.

45.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to clause 45.3 (*Distributions to an Obligor*) and clause 45.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

45.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with clause 46 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

45.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of the Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrower:
 - (i) the Agent shall notify the Borrower of that Lender's identity and the Borrower shall on demand refund it to the Agent;
and

- (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

**45.5 Partial
payments**

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents (other than, for the avoidance of doubt, payments under the EIFO Guarantee Policy which are for the account of the Facility C Lenders as specified therein) that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order of:
 - (i) **first**, in or towards payment pro rata of any unpaid amount owing to the Agent, the Security Agent or the Arrangers for their own account under those Finance Documents;
 - (ii) **secondly**, in or towards payment to the Lenders pro rata of any amount owing to the Lenders under clause 37.15 *Lenders' indemnity to the Agent and others*;
 - (iii) **thirdly**, in or towards payment to the Lenders, the Hedging Providers, the Ancillary Lenders and EIFO pro rata in the following order:
 - (A) first, any accrued interest, fee or commission (including, without limitation, any EIFO Fees) due to them but unpaid under the Finance Documents and the EIFO Guarantee Policy;
 - (B) secondly, any principal or (in the case of Hedging Providers) other net amount due to them but unpaid under this Agreement, any Hedging Contract or any Ancillary Document; and
 - (C) thirdly, any other sum due to them but unpaid under the Finance Documents;and
 - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid to the Finance Parties under the Finance Documents.
- (b) The Agent shall, if so directed by all the Lenders, EIFO, each Hedging Provider and each Ancillary Lender, vary the order set out in paragraphs (ii) to (iv) of paragraph (a) above.
- (c) The foregoing shall be without prejudice to any payment waterfall provisions set forth in the EIFO Guarantee Policy in respect of the proceeds of the EIFO Guarantee Policy, which shall govern the payment by EIFO of the proceeds of the EIFO Guarantee Policy and the sharing of such proceeds by the Facility C Lenders.
- (d) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

**45.6 No set-off by
Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

**45.7 Business
Days**

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

45.8 Currency of account

- (a) Subject to paragraphs (b) and (c) below, euro is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of all or part of a Loan or an Unpaid Sum and each payment of interest shall be made in euro on its due date.
- (c) Each payment in respect of the amount of any costs, expenses or Taxes or other losses shall be made in euro and, if they were incurred in a currency other than euro, the amount payable under the Finance Documents shall be the equivalent in euro of the relevant amount in such other currency on the date on which it was incurred.
- (d) All moneys received or held by the Security Agent or by a Receiver under a Security Document in a currency other than euro may be sold for euro and the Obligor which executed that Security Document shall indemnify the Security Agent against the full cost in relation to the sale. Neither the Security Agent nor such Receiver will have any liability to that Obligor in respect of any loss resulting from any fluctuation in exchange rates after the sale.

45.9 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Interbank Market and otherwise to reflect the change in currency.

45.10 Disruption to payment systems etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

- (d) any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 51 (*Amendments and waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 45.10; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

45.11 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with clause 45.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account pro rata to their respective entitlements.
- (c) A Party which has made a payment in accordance with clause 45.1 (*Payments to the Agent*) shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with clause 37.17 (*Replacement of the Agent*), each Party which has made a payment to a trust account in accordance with clause 45.1 (*Payments to the Agent*) shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with clause 36.2 (*Distributions by the Agent*).

46 Set-off

46.1 A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

47 Notices

47.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by letter.

47.2 Addresses

The address (and the department or officer, if any, for whose attention the communication is to be made) of each Obligor or Finance Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of any Obligor, that identified with its name in Schedule 1 (*The original parties*) or that identified with the Borrower in Schedule 1 (*The original parties*);
- (b) in the case of the Agent, the Security Agent and any other original Finance Party, that identified with its name in Schedule 1 (*The original parties*); and
- (c) in the case of each Lender, each Ancillary Lender or other Finance Party, that notified in writing to the Agent on or prior to the date on which it becomes a Party in the relevant capacity,

or, in each case, any substitute address, or department or officer as an Obligor or Finance Party may notify to the Agent (or the Agent may notify to the other Finance Parties and the Obligors who are Parties, if a change is made by the Agent) by not less than five Business Days' notice.

47.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under clause 47.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or Security Agent will be effective only when actually received by the Agent or the Security Agent and then only if it is expressly marked for the attention of the department or officer identified in Schedule 1 (*The original parties*) (or any substitute department or officer as the Agent or the Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Borrower in accordance with this clause 47.3 will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

47.4 Notification of address

Promptly upon changing its address, the Agent shall notify the other Parties.

47.5 Electronic communication

- (a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

- (b) Any such electronic communication or document as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.
- (c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and, in the case of any electronic communication or document made or delivered by a Party to the Agent, only if it is addressed in such a manner as the Agent shall specify for this purpose.
- (d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement or any other Finance Document shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this clause 47.5.

47.6 English language and translations

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English;
or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.
- (c) Any document required to be provided under or in connection with the EIFO Guarantee Policy must, upon the Agent's request (acting on the instructions of EIFO), be accompanied by a certified English or, as the case may be, Danish, translation, as required by EIFO.

47.7 Communication with Agent when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant parties directly. This provision shall not operate after a replacement Agent has been appointed.

48 Calculations and certificates

48.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

48.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

48.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Interbank Market differs, in accordance with that market practice.

49 Partial invalidity

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

50 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

51 Amendments and waivers

51.1 Required consents

- (a) Subject to clause 51.2 (*All Lender matters*) and clause 51.3 (*Other exceptions*) and subject always to the requirements of the EIFO Guarantee Policy, any term of the Finance Documents may be amended or waived only with the consent of the Borrower and the Agent (acting on the instructions of the Majority Lenders and, if it affects the rights and obligations of the Agent, the consent of the Agent and, if it affects the rights and obligations of EIFO, the consent of EIFO) and any such amendment or waiver will be binding on all the Finance Parties and other Obligors.
- (b) The Agent may (or, in the case of the Security Documents, instruct the Security Agent to) effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause 51.
- (c) Without prejudice to the generality of paragraphs (c), (d) and (e) of clause 37.11 (*Rights and discretions of the Agent and the Security Agent*), the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.
- (d) Each Obligor agrees to any such amendment or waiver permitted by this clause 51 which is agreed to by the Borrower. This includes any amendment or waiver which would, but for this paragraph (d), require the consent of the Guarantors.
- (e) Amendments to or waivers in respect of clause 8.10 (*Termination of the EIFO Guarantee Policy*) may only be agreed with the consent of each of the Facility C Lenders.
- (f) Amendments to or waivers in respect of any Finance Document may only be agreed in writing.

51.2 All Lender matters

Subject to clause 51.5 (*Replacement of Screen Rate*) an amendment, waiver or discharge or release or a consent of, or in relation to, any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definition of “Majority Lenders” in clause 1.1 (*Definitions*);
- (b) the definition of “Last Availability Date” in clause 1.1 (*Definitions*);
- (c) the definitions of “Green Loan Criteria”, “Green Finance Second Party Opinion”, “Green Loan”, “Green Loan Compliance Certificate”, “Green Loan Information”, “Green Loan Provisions” and “Green Loan Report” in clause 1.1 (*Definitions*);
- (d) the definition of “Repeating Representations” in clause 1.1 (*Definitions*);
- (e) an extension to the date of payment of any amount under the Finance Documents;
- (f) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable or the rate at which they are calculated;
- (g) an increase in any Commitment or the Total Commitments;
- (h) an extension of any period within which the Facilities are available for Utilisation;
- (i) any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably;
- (j) a change to the Borrower or any other Obligor;
- (k) clause 8.2 (*Change of control*) and the definition of “Change of Control” in clause 1.1 (*Definitions*);
- (l) clause 20.33 (*Sanctions*), clause 23.13 (*Sanctions*) and any of the definitions of “Sanctions”, “Sanctions Authority”, “Sanctions List” and “Restricted Party” in clause 1.1 (*Definitions*);
- (m) any of the Green Loan Provisions;
- (n) any provision which expressly requires the consent or approval of all the Lenders;
- (o) clause 44 (*Sharing among the Finance Parties*);
- (p) clause 2.4 (*Finance Parties’ rights and obligations*), clause 5.1 (*Delivery of a Utilisation Request*), clause 8.1 (*Illegality*), clause 35 (*Changes to the Lenders*), clause 9.9 (*Application of prepayments*), this clause 51, clause 56 (*Governing law*) or clause 57.1 (*Jurisdiction of English courts*);
- (q) the order of distribution under clause 40.1 (*Order of application*);
- (r) the order of distribution under clause 45.5 (*Partial payments*) (unless clause 45.5(b) allows the Majority Lenders to vary such order);
- (s) the currency in which any amount is payable under any Finance Document;
- (t) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:
 - (i) any guarantee and indemnity granted under any Finance Document (including the Guarantee under clause 19 (*Guarantee and indemnity*));

- (ii) the Charged Property;
or
 - (iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed;
- (u) the release of any of the Transaction Security or any guarantee or other obligation or the circumstances in which any of the Transaction Security or any guarantee or other obligations under any Finance Document is permitted or required to be released under any of the Finance Documents,

shall not be made, or given, without the prior consent of all the Lenders and EIFO but, in the case of:

- (i) paragraph (d) above in so far as it relates to the extension of the Final Repayment Date of a specific Facility;
and
- (ii) paragraph (b) and (h) above insofar as it relates to the extension of the Last Availability Date of a specific Facility,

all the Lenders with Commitments under that Facility and (in the case of Facility C) EIFO.

51.3 Other exceptions

- (a) Amendments to or waivers in respect of the Hedging Contracts may only be agreed by the relevant Hedging Provider.
- (b) Amendments to or waivers in respect of an Ancillary Facility may only be agreed by the relevant Ancillary Lender.
- (c) An amendment or waiver which relates to the rights or obligations of the Agent, the Security Agent, any Hedging Provider, any Ancillary Lender, a Reference Bank or the Arrangers in their respective capacities as such (and not just as a Lender) may not be effected without the consent of the Agent, the Security Agent, the relevant Hedging Provider, that Ancillary Lender, that Reference Bank or the Arrangers (as the case may be).
- (d) Notwithstanding clauses 51.1 and 51.2 and paragraph (c) above, the Agent may make technical amendments to the Finance Documents arising out of manifest errors on the face of the Finance Documents, where such amendments would not prejudice or otherwise be adverse to the interests of any Finance Party without any reference or consent of the Finance Parties.

51.4 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Commitment, in ascertaining (i) the Majority Lenders or (ii) whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments under the Facilities, or the agreement of any specified group of Lenders, has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitment will be reduced by the amount of its Commitment and, to the extent that the reduction results in that Defaulting Lender's Commitment being zero and it has no participation in the Loans, that Defaulting Lender shall be deemed not to be a Lender for the purposes paragraphs (i) and (ii) above.
- (b) For the purposes of this clause 51.4, the Agent may assume that the following Lenders are Defaulting Lenders:
 - (i) any Lender which has notified the Agent that it has become a Defaulting Lender;
and
 - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of **Defaulting Lender** has

occurred, unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

51.5 Replacement of Screen Rate

(a) Subject to clause 51.3 (*Other exceptions*), if a Screen Rate Replacement Event has occurred, any amendment or waiver which relates to:

- (i) providing for the use of a Replacement Benchmark in place of the Screen Rate;
and
- (ii) any or all of the following:
 - (A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;
 - (B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);
 - (C) implementing market conventions applicable to that Replacement Benchmark;
 - (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark;
or
 - (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders), EIFO and the Borrower.

(b) In this clause 51.5:

Relevant Nominating Body means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Replacement Benchmark means:

- (a) the euro short term rate (€STR); or
at the discretion of all the Lenders and EIFO
- (b) any other a reference rate which is:
 - (i) formally designated, nominated or recommended as the replacement for the Screen Rate by:
 - (A) the administrator of the Screen Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Screen Rate); or
 - (B) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Benchmark" will be the replacement under paragraph (B) above;

- (ii) in the opinion of the Majority Lenders and the Obligors, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the Screen Rate; or
- (iii) in the opinion of the Majority Lenders and the Obligors, an appropriate successor to the Screen Rate.

Screen Rate Replacement Event means, in relation to the Screen Rate:

- (a) the methodology, formula or other means of determining the Screen Rate has, in the opinion of the Majority Lenders and the Borrower materially changed;
- (b) any of the following applies:
 - (i) either:
 - (A) the administrator of the Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the Screen Rate is insolvent,provided that, in each case, at that time, there is no successor administrator to continue to provide the Screen Rate;
 - (ii) the administrator of the Screen Rate publicly announces that it has ceased or will cease, to provide the Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Screen Rate;
 - (iii) the supervisor of the administrator of the Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued;
 - (iv) the administrator of the Screen Rate or its supervisor announces that the Screen Rate may no longer be used; or
 - (v) the supervisor of the administrator of that Screen Rate makes a public announcement or publishes information:
 - (A) stating that the Screen Rate is no longer or, as of a specified future date will no longer be, representative of the underlying market or economic reality that it is intended to measure and that representativeness will not be restored (as determined by such supervisor); and
 - (B) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication; or
- (c) the administrator of the Screen Rate determines that the Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:

- (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrower) temporary; or
- (ii) the Screen Rate is calculated in accordance with any such policy or arrangement for a period of no less than 15 Business Days; or
- (d) in the opinion of the Majority Lenders and the Borrower, the Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

51.6 Releases

Except with the approval of the Lenders, the Hedging Providers and EIFO or for a release which is expressly permitted or required by the Finance Documents, the Agent shall not have authority to authorise the Security Agent to release (nor shall any Finance Party, unless so directed by the Security Agent in accordance with clause 39.4 (*Enforcement through Security Agent only*), release):

- (a) any Charged Property from the Transaction Security; or
- (b) any Obligor from any of its guarantee or other obligations under any Finance Document.

51.7 Excluded Commitments

If any Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 30 Business Days of that request being made (unless the Borrower and the Agent agree to a longer time period in relation to any request):

- (a) its Commitment or its participation in the Loans shall not be included for the purpose of calculating the Total Commitments or the amount of the Loans when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments or the amount of the Loans has been obtained to approve that request; and
- (b) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

52 Confidential Information

52.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by clause 52.2 (*Disclosure of Confidential Information*) and clause 52.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

52.2 Disclosure of Confidential Information

Any Finance Party may disclose (without the consent of the Obligors) to EIFO or to any of its Affiliates or Related Funds (such Affiliates and Related Funds, the **Permitted Parties**) and any other person:

- (a) in the case of a Lender or a Hedging Provider, to (or through) whom that Lender or a Hedging Provider assigns (or may potentially assign) all or any of its rights under the Finance Documents;
- (b) in the case of a Lender, to whom or for whose benefit that Finance Party charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to clause 35.10 (*Security over Lenders' rights*);

- (c) in the case of a Lender or a Hedging Provider, with (or through) whom that Lender or that Hedging Provider enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Finance Documents or any Obligor; or
- (d) to whom, and to the extent that, information is required to be disclosed by any court or tribunal of competent jurisdiction or any governmental or regulatory authority or similar body or pursuant to any applicable law or regulation,

and any Finance Party or EIFO may disclose to any auditors, rating agencies or to its own or its Permitted Parties professional advisers or brokers or insurers or potential reinsurance brokers or direct or indirect credit protection providers and reinsurers that reinsure or may reinsure the EIFO Guarantee Policy pursuant to clause 35.12(d) or (with the consent of the Borrower, or if an Event of Default has happened and is continuing, with the approval of the Majority Lenders), any other person, any information about any Obligor, the Group and the Finance Documents as that Finance Party shall consider appropriate.

52.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:

- (i) names of Obligors;
- (ii) country of domicile of Obligors;
- (iii) place of incorporation of Obligors;
- (iv) date of this Agreement;
- (v) clause 56 (*Governing law*);
- (vi) the names of the Agent and the Arranger;
- (vii) date of each amendment and restatement of this Agreement;
- (viii) amount of Total Commitments;
- (ix) currency of the Facilities;
- (x) type of Facilities;
- (xi) ranking of Facilities;
- (xii) the term of the Facilities;
- (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and
- (xiv) such other information agreed between such Finance Party and the Borrower,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

- (c) The Borrower represents that none of the information set out in paragraphs (i) to (xiv) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Agent shall notify the Borrower and the other Finance Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

52.4 Disclosure of personal data

- (a) If any Obligor provides the Finance Parties with personal data of any individual as required by, pursuant to, or in connection with the Finance Documents, that Obligor represents and warrants to the Finance Parties that it has, to the extent required by law:
 - (i) notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed;
 - (ii) obtained such individual's consent for, and hereby consents on behalf of such individual to, the collection, processing, use and disclosure of his/her personal data by the Finance Parties,in each case, in accordance with or for the purposes of the Finance Documents, and confirms that it is authorised by such individual to provide such consent on his/her behalf.
- (b) Each Obligor agrees and undertakes to notify the Agent promptly upon becoming aware of the withdrawal by the relevant individual of his/her consent to the collection, processing, use and/or disclosure by any Finance Party of any personal data provided by that Obligor to any Finance Party.
- (c) Any consent given pursuant to this Agreement in relation to personal data shall, subject to all applicable laws and regulations, survive death, incapacity, bankruptcy or insolvency of any such individual and the termination of this Agreement.

52.5 Entire agreement

This clause 52 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

52.6 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

52.7 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made to any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body or the rules of any relevant stock exchange or pursuant to any applicable law or

regulation pursuant to clause 52.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any such person during the ordinary course of its supervisory or regulatory function; and

- (b) upon becoming aware that Confidential Information has been disclosed in breach of this clause 52.

52.8 Continuing obligations

The obligations in this clause 52 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

53 Confidentiality of Funding Rates and Reference Bank Quotations

53.1 Confidentiality and disclosure

- (a) The Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.
- (b) The Agent may disclose:
 - (i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the Borrower pursuant to clause 10.5 (*Notification of rates of interest*); and
 - (ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.
- (c) The Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Obligor may disclose any Funding Rate, to:
 - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no

requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

- (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.
- (d) The Agent's obligations in this clause 53 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under clause 10.5 (*Notification of rates of interest*) provided that (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

53.2 Related obligations

- (a) The Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.
- (b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:
 - (i) of the circumstances of any disclosure made pursuant to clause 53.1(c)(ii) (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this clause 53.

53.3 No Event of Default

No Event of Default will occur under clause 33.5 (*Other obligations*) by reason only of an Obligor's failure to comply with this clause 53.

54 Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

55 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party (and any other Obligor who is a party to any other Finance Document to which this clause is expressed by the terms of that other Finance Document to apply) acknowledges and accepts that any liability of any Finance Party to another Finance Party or to an Obligor under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability;
and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

Section 12 - Governing Law and Enforcement

56 Governing law

This Agreement and any non-contractual obligations connected with it are governed by English law.

57 Enforcement

57.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Agreement) (a **Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraphs (a) and (b) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

57.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor who is a Party (unless it is incorporated in England and Wales):

- (a) irrevocably appoints the person named in Schedule 1 (*The original parties*) as that Obligor's English process agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;
- (b) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned; and
- (c) if any person appointed as process agent for an Obligor is unable for any reason to act as agent for service of process, that Obligor must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent (including Saville & Co Scrivener Notaries, Cheeswrights LLP and The Law Debenture Corporation p.l.c. or any of their Affiliates providing such professional service) for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

**Schedule 1
The original parties**

Borrower

Name of Borrower:	Cadeler A/S
Jurisdiction of incorporation:	Denmark
Registered office:	Arne Jacobsens Allé 7, 7 2300 Copenhagen S Denmark
Registered number:	31180503

Original Guarantors

Name of Guarantor:	Wind Orca Limited
Jurisdiction of incorporation:	Cyprus
Registered office:	23 Kennedy Avenue Globe House, 4th floor 1075 Nicosia, Cyprus
Registered number:	HE 412457
Name of Guarantor:	Wind Osprey Limited
Jurisdiction of incorporation:	Cyprus
Registered office:	23 Kennedy Avenue Globe House, 4th floor 1075 Nicosia, Cyprus
Registered number:	HE 412453

Obligor process agent

Obligor process agent	
Name:	Elemental Process Agent Limited
Registered office:	27 Old Gloucester Street, WC1N 3AX London, United Kingdom

Obligor address for service of notices

Obligor address for service of notices	
Address:	Arne Jacobsens Allé 7, 7 2300 Copenhagen S Denmark
Email:	peter.brogaard@cadeler.com mathias.hartmann@cadeler.com
Attention:	Peter Brogaard Hansen Mathias Hartmann

Details of the Original Lenders

Name of Original Lender	Facility Office	Notice Details
DNB Bank ASA	Dronning Eufemias Gate 30 0191, Oslo Norway	Address: Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Loan Admin Corporate E-mail Address: loanadmin.corporate@dnb.no
Name of Original Lender	Facility Office	Notice Details
Coöperatieve Rabobank U.A.	Croeselaan 18 3521 CB Utrecht The Netherlands	Croeselaan 18 3521 CB Utrecht The Netherlands Attention (operational matters): Eva Lyberis Attention (credit matters): Anne Daems Mireille Bombeld Email Address (operational matters): Eva.lyberis@rabobank.com exportfinance@rabobank.com cos.loansadmin@rabobank.com Email Address (credit matters): Anne.Daems@rabobank.com Mireille.Bombeld@rabobank.com Jeroen.van.aalst@rabobank.com
Name of Original Lender	Facility Office	Notice Details
Crédit Agricole Corporate & Investment Bank	12, place des Etats-Unis CS 70052 92547 Montrouge Cedex France	Address: 12, place des Etats-Unis CS 70052 92547 Montrouge Cedex France Attention (operational matters): Clementine Costil Romy Roussel Sylvain Tissier Phandieuanh Nguyen2 Attention (credit matters): Nils Christian Green Tobias Gilje Jonas Ggabrielsen Alexandre Chau

		<p>Email Address (operational matters):</p> <p>clementine.costil@ca-cib.com romy.rousseau@ca-cib.com sylvain.tissier@ca-cib.com phandieuanh.nguyen2@ca-cib.com</p> <p>Email Address (credit matters):</p> <p>nilschristian.green@ca-cib.com tobias.gilje@ca-cib.com jonas.gabrielsen@ca-cib.com alexandre.chau@ca-cib.com</p>
Name of Original Lender	Facility Office	Notice Details
Danske Bank A/S	Holmens Kanal 2-12 1092 Copenhagen K Denmark	<p>Address:</p> <p>Holmens Kanal 2-12 1092 Copenhagen K Denmark</p> <p>Attention:</p> <p>Maren Wähler Stian Hjelmeland</p> <p>Email Address:</p> <p>wh@danskebank.com stian.hjelmeland@danskebank.com loans_lifecycle_admin@danskebank.com</p>
Name of Original Lender	Facility Office	Notice Details
Oversea-Chinese Banking Corporation Limited	65 Chulia Street #10-00 OCBC Centre Singapore 048913	<p>65 Chulia Street #10-00 OCBC Centre Singapore 048913</p> <p>Attention:</p> <p>Shaun Lim Melvin Phang Angeline Teo</p> <p>Email Address:</p> <p>shaunlim2@ocbc.com melvinphang@ocbc.com angelineteo@ocbc.com BBCSCSyndication@ocbc.com BizConnect@ocbc.com</p>
Name of Original Lender	Facility Office	Notice Details
Societe Generale	29 Boulevard Haussmann 75009 Paris France	<p>Address:</p> <p>29 Boulevard Haussmann 75009 Paris France</p> <p>Address (credit matters):</p>

		<p>Societe Generale 189, rue d'Auberbilliers 75886 PARIS CEDEX 18</p> <p>Attention:</p> <p>Mehdi Sebti Hongzhou Guo Arnaud Evrin Thi Kim Anh Nguyen</p> <p>Email Address:</p> <p>mehdi.sebti@sgcib.com hongzhou.guo@sgcib.com arnaud.evrin@sgcib.com thi-kim-anh.nguyen@sgcib.com</p>
Name of Original Lender	Facility Office	Notice Details
Standard Chartered Bank (Singapore) Limited	8 Marina Boulevard #19-01 Marina Bay Financial Centre Tower 1 Singapore 018981	<p>Address:</p> <p>8 Marina Boulevard #19-01 Marina Bay Financial Centre Tower 1 Singapore 018981</p> <p>Attention (operational matters):</p> <p>Global Lending Services Chonawut Mick Prasatsak Valerie Toh Clara Gan</p> <p>Attention (credit matters):</p> <p>Amy Chow Chonawut Mick Prasatsak Clara Gan Lim Jingyi</p> <p>Email Address (operational matters):</p> <p>sg.loaninstructions@sc.com sg.loansprocessing@sc.com Chonawut.Prasatsak@sc.com Valerie.Toh@sc.com clara.gan@sc.com</p> <p>Email Address (credit matters):</p> <p>Chow.Amy-Sec-Bing@sc.com Chonawut.Prasatsak@sc.com Clara.Gan@sc.com Jingyi.Lim@sc.com</p>

Details of the Commitments of the Original Lenders

	Facility A	Facility B	Facility C
DNB Bank ASA	€55,555,555	€22,222,220	€22,222,220
Coöperatieve Rabobank U.A.	€33,888,889	€13,555,556	€13,555,556
Crédit Agricole Corporate & Investment Bank	€33,888,889	€13,555,556	€13,555,556
Danske Bank A/S	€33,888,889	€13,555,556	€13,555,556
Oversea-Chinese Banking Corporation Limited	€33,888,889	€13,555,556	€13,555,556
Societe Generale	€25,000,000	€10,000,000	€10,000,000
Standard Chartered Bank (Singapore) Limited	€33,888,889	€13,555,556	€13,555,556
Totals:	€250,000,000	€100,000,000	€100,000,000
TOTAL COMMITMENTS	€450,000,000		

The Agent

Name:	DNB Bank ASA
Facility office and notice details	Dronning Eufemias Gate 30 0191, Oslo Norway Agency Syndicated Loans E-mail Address: agentdesk@dnb.no

The Security Agent

Name:	DNB Bank ASA
Facility office and notice details	Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Agency Syndicated Loans E-mail Address: agentdesk@dnb.no

The EIFO Agent

Name:	DNB Bank ASA
Facility office and notice details	Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Kjell Tore Egge Email Address: kjell.tore.egge@dnb.no

The Arrangers

Name:	DNB Bank ASA
Facility office and notice details	Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Loan Admin Corporate E-mail Address: loanadmin.corporate@dnb.no
Name:	Coöperatieve Rabobank U.A.
Facility office and notice details	Croeselaan 18 3521 CB Utrecht The Netherlands Attention (operational matters): Eva Lyberis Attention (credit matters): Anne Daems Mireille Bombeld Email Address (operational matters):

	<p>Eva.lyberis@rabobank.com exportfinance@rabobank.com cos.loansadmin@rabobank.com</p> <p>Email Address (credit matters): Anne.Daems@rabobank.com Mireille.Bombeld@rabobank.com Jeroen.van.aalst@rabobank.com</p>
Name:	Crédit Agricole Corporate & Investment Bank
Facility office and notice details	<p>12, place des Etats-Unis CS 70052 92547 Montrouge Cedex France</p> <p>Attention (operational matters): Clementine Costil Romy Roussel Sylvain Tissier Phandieuanh Nguyen</p> <p>Attention (credit matters): Nils Christian Green Tobias Gilje Jonas Gabrielsen Alexandre Chau</p> <p>Email Address (operational matters): clementine.costil@ca-cib.com romy.roussel@ca-cib.com sylvain.tissier@ca-cib.com phandieuanh.nguyen2@ca-cib.com</p> <p>Email Address (credit matters): nilschristian.green@ca-cib.com tobias.gilje@ca-cib.com jonas.gabrielsen@ca-cib.com alexandre.chau@ca-cib.com</p>
Name:	Danske Bank A/S
Facility office and notice details	<p>Holmens Kanal 2-12 1092 Copenhagen K Denmark</p> <p>Attention: Maren Wæhler Stian Hjelmeland</p> <p>Email Address: wh@danskebank.com stian.hjelmeland@danskebank.com loans_lifecycle_admin@danskebank.com</p>
Name:	Oversea-Chinese Banking Corporation Limited

Facility office and notice details	<p>65 Chulia Street #10-00 OCBC Centre Singapore 048913</p> <p>Attention: Shaun Lim Melvin Phang Angeline Teo</p> <p>Email Address: shaunlim2@ocbc.com melvinphang@ocbc.com angelineteo@ocbc.com BBCSCSyndication@ocbc.com BizConnect@ocbc.com</p>
Name:	Societe Generale
Facility office and notice details	<p>29 Boulevard Haussmann 75009 Paris France</p> <p>Attention: Mehdi Sebti Hongzhou Guo Arnaud Evrin Thi Kim Anh Nguyen</p> <p>Email Address: mehdi.sebti@sgcib.com hongzhou.guo@sgcib.com arnaud.evrin@sgcib.com thi-kim-anh.nguyen@sgcib.com</p>
Name:	Standard Chartered Bank (Singapore) Limited
Facility office and notice details	<p>8 Marina Boulevard #19-01 Marina Bay Financial Centre Tower 1 Singapore 018981</p> <p>Attention: Amy Chow Chonawut Mick Prasatsak Clara Gan Lim Jingyi Keith Teo</p> <p>Email Address: Chow.Amy-See-Bing@sc.com Chonawut.Prasatsak@sc.com Clara.Gan@sc.com Jingyi.Lim@sc.com KeithYeeJie.Teo@sc.com</p>

The Original Hedging Providers

Name:	DNB Bank ASA
Facility office and notice details	<p>Dronning Eufemias Gate 30 0191, Oslo Norway</p> <p>Email address: isda@dnb.no</p>
Name:	Coöperatieve Rabobank U.A.
Facility office and notice details	<p>Croeselaan 18 3521 CB Utrecht The Netherlands</p> <p>Attention (operational matters): Eva Lyberis</p> <p>Attention (credit matters): Anne Daems Mireille Bombeld</p> <p>Email Address (operational matters): Eva.lyberis@rabobank.com exportfinance@rabobank.com cos.loansadmin@rabobank.com</p> <p>Email Address (credit matters): Anne.Daems@rabobank.com Mireille.Bombeld@rabobank.com Jeroen.van.aalst@rabobank.com</p>
Name:	Crédit Agricole Corporate & Investment Bank
Facility office and notice details	<p>12, place des Etats-Unis CS 70052 92547 Montrouge Cedex France</p> <p>Attention (operational matters): Clementine Costil Romy Roussel Sylvain Tissier Phandieuanh Nguyen2</p> <p>Attention (credit matters): Nils Christian Green Tobias Gilje Jonas Ggabrielsen Alexandre Chau</p> <p>Email Address (operational matters):</p>

	<p>clementine.costil@ca-cib.com romy.rousseau@ca-cib.com sylvain.tissier@ca-cib.com phandieuanh.nguyen2@ca-cib.com</p> <p>Email Address (credit matters):</p> <p>nilschristian.green@ca-cib.com tobias.gilje@ca-cib.com jonas.gabrielsen@ca-cib.com alexandre.chau@ca-cib.com</p>
Name:	Danske Bank A/S
Facility office and notice details	<p>Address:</p> <p>Holmens Kanal 2-12 1092 Copenhagen K Denmark</p> <p>Attention:</p> <p>Maren Wæhler Stian Hjelmeland</p> <p>Email Address:</p> <p>wh@danskebank.com stian.hjelmeland@danskebank.com loans_lifecycle_admin@danskebank.com</p>
Name:	Oversea-Chinese Banking Corporation Limited
Facility office and notice details	<p>65 Chulia Street #10-00 OCBC Centre Singapore 048913</p> <p>Attention:</p> <p>Shaun Lim Melvin Phang Angeline Teo</p> <p>Email Address:</p> <p>shaunlim2@ocbc.com melvinphang@ocbc.com angelineteo@ocbc.com BBCSCSyndication@ocbc.com BizConnect@ocbc.com</p>
Name:	Societe Generale
Facility office and notice details	<p>29 Boulevard Haussmann 75009 Paris France</p> <p>Attention:</p> <p>Mehdi Sebti Hongzhou Guo Arnaud Evrin Thi Kim Anh Nguyen</p> <p>Email Address:</p> <p>mehdi.sebti@sgcib.com hongzhou.guo@sgcib.com arnaud.evrin@sgcib.com thi-kim-anh.nguyen@sgcib.com</p>

Name:	Standard Chartered Bank (Singapore) Limited
Facility office and notice details	<p>8 Marina Boulevard #18-01 Marina Bay Financial Centre Tower 1 Singapore 018981</p> <p>Attention:</p> <p>Chonawut Mick Prasatsak Winnie Wong Kim Zhang Limin Amy Chow Clara Gan</p> <p>Email Address:</p> <p>Chow.Amy-See-Bing@sc.com Chonawut.Prasatsak@sc.com Clara.Gan@sc.com WinnieWS.Wong@sc.com Kim.Zhang@sc.com</p>

The Account Bank

Name:	DNB Bank ASA
Address:	<p>Dronning Eufemias Gate 30 0191, Oslo Norway</p>

**Schedule 2
Ship information**

Ship A	
Ship Name	Wind Orca
IMO Number:	9601326
Owner of Ship:	Wind Orca Limited
Scheduled Redelivery Date:	During first quarter of 2024
Backstop Date:	30 June 2024
Facility C Ship Commitment:	€50,000,000
Flag State:	Denmark
Port of Registry:	Copenhagen
Major Casualty Amount:	€2,000,000
Classification Society:	DNV
Classification:	<input checked="" type="checkbox"/> 100 A5 Self elevating unit Offshore service vessel(SPS, WTIS) BWM Operation according to operating manual <input checked="" type="checkbox"/> MC DPS(2) AUT EP-D HELIL
Danish Contract details:	EUR 22,820,000 ship repair contract on REPAIRCON 2018 form dated 21 December 2022 between the Danish Contractor and the Borrower relating to the Upgrade of the Existing Ships.
Gusto Contract details:	Contract of sale dated 18 December 2020 made between Wind Orca Ltd as client and GustoMSC B.V. as contractor for the supply of one 1600mt leg crane.
Danish Contractor:	Semco Maritime A/S
Gusto Contractor:	GustoMSC B.V.
Initial Bareboat Charter description:	N/A
Owner Shareholder:	Cadeler A/S

Ship B	
Ship Name	Wind Osprey
IMO Number:	9621704
Owner of Ship:	Wind Osprey Limited
Scheduled Redelivery Date:	During first quarter of 2024
Backstop Date:	30 June 2024
Facility C Ship Commitment:	€50,000,000
Flag State:	Denmark
Port of Registry:	Copenhagen
Major Casualty Amount:	€2,000,000
Classification Society:	DNV
Classification:	<input checked="" type="checkbox"/> 100 A5 Self elevating unit Offshore service vessel(SPS, WTIS) BWM (D2) Operation according to operating manual <input checked="" type="checkbox"/> MC DPS(2) AUT EP-D HELIL
Danish Contract details:	EUR 22,820,000 ship repair contract on REPAIRCON 2018 form dated 21 December 2022 between the Danish Contractor and the Borrower relating to the Upgrade of the Existing Ships.
Gusto Contract details:	Option contract dated 18 December 2020 made between Wind Osprey Ltd as client and GustoMSC B.V. as contractor for the supply of one 1600mt leg crane.
Danish Contractor:	Semco Maritime A/S
Gusto Contractor:	GustoMSC B.V.
Initial Bareboat Charter description:	N/A
Owner Shareholder:	Cadeler A/S

Ship C	
Ship Name	Seajacks Scylla
IMO Number:	9698939
Owner of Ship:	Seajacks 5 Limited
Owner of Ship registered number:	08519434
Owner of Ship registered address:	South Denes Business Park South Beach Parade Great Yarmouth Norfolk, NR30 3QR United Kingdom
Flag State:	Panama
Port of Registry:	Panama
Major Casualty Amount:	€2,000,000
Classification Society:	American Bureau of Shipping
Classification:	☒A1, Self Elevating Unit, ☒AMS, ☒ACCU, ☒DPS-2
Initial Bareboat Charter description:	Bareboat charter (and Additional Clauses thereto) dated 12 November 2015 (on BARECON 2001 form) between the Owner as owners and Seajacks UK Limited as bareboat charterers.
Owner Shareholder:	Seajacks International Limited

Ship D	
Ship Name	Seajacks Zaratan
IMO Number:	9596571
Owner of Ship:	Seajacks 3 Japan LLC
Owner of Ship registered number:	0100-03-032597
Owner of Ship registered address:	2-6, Nihonbashi Hongokucho 3-chome Chuo-ku, Tokyo 103-6060 Japan
Flag State:	Japan
Port of Registry:	Tokyo
Major Casualty Amount:	€2,000,000
Classification Society:	Nippon Kaiji Kyokai
Classification:	☒A1, Self Elevating Unit, ☒AMS, ☒ACCU, ☒DPS-2, Wind IMR
Initial Bareboat Charter description:	(a) Bareboat charter dated 15 March 2021 (on BARECON 2001 form) between Seajacks Japan LLC as owners and Seajacks UK Limited as bareboat charterers and (b) bareboat charter dated 15 March 2021 (on BARECON 2001 form) between Seajacks 3 Japan LLC as owners and Seajacks Japan LLC as bareboat charterers.
Owner Shareholder:	Seajacks Japan LLC

Schedule 3
Conditions precedent

Part 1
Initial conditions precedent

- 1 **Obligors' documents** **corporate**
- (a) A copy of the Constitutional Documents of each Original Obligor.
 - (b) A copy of a resolution of the board of directors of each Original Obligor (or, if applicable, any committee of such board empowered to approve and authorise the following matters):
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party (its **Relevant Documents**) and resolving that it execute, deliver and perform the Relevant Documents to which it is a party in accordance with any local law requirements;
 - (ii) authorising a specified person or persons to execute its Relevant Documents on its behalf;
and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and any Selection Notice) to be signed and/or despatched by it under or in connection with its Relevant Documents.
 - (c) If applicable, a copy of a resolution of the board of directors of the relevant company, establishing any committee referred to in paragraph (b) above and conferring authority on that committee.
 - (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to its Relevant Documents and related documents.
 - (e) If applicable, a copy of a resolution signed by all the holders of the issued shares in each Original Obligor (other than the Borrower), approving the terms of, and the transactions contemplated by, its Relevant Documents.
 - (f) A certificate of each Original Obligor (signed by an authorised signatory) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on such Original Obligor to be exceeded.
 - (g) A copy of any power of attorney under which any person is appointed by any Original Obligor to execute any of its Relevant Documents on its behalf.
 - (h) A certificate of an authorised signatory of each relevant Original Obligor certifying that each copy document relating to it specified in this Part of this Schedule is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement and that any such resolutions or power of attorney have not been revoked.

2 **Legal opinions**

The following legal opinions, each addressed to the Agent, the Security Agent, EIFO, the Original Lenders and the Original Hedging Providers, substantially in the form distributed to the Original Lenders, the Original Hedging Providers and EIFO and approved by the Agent prior to signing this Agreement and capable of being relied upon by any persons who become Lenders or Hedging Providers pursuant to the primary syndication of the Facilities:

- (a) a legal opinion of Norton Rose Fulbright LLP on matters of English law;
- (b) a legal opinion of Chrysses Demetriades & Co. LLC on matters of Cyprus law;
- (c) a legal opinion of Moalem Weitemeyer on matters of Danish law (except in respect of the EIFO Guarantee Policy);
- (d) a legal opinion of Moalem Weitemeyer on matters of Danish law in respect of the EIFO Guarantee Policy;
- (e) a legal opinion of Advokatfirmaet Wiersholm AS on matters of Norwegian law; and
- (f) such other opinions or confirmations from relevant legal counsel selected by the Agent in respect of any matters in relation to this Agreement as the Agent shall deem necessary or desirable.

3 Other documents and evidence

- (a) Evidence that any process agent referred to in clause 57.2 (*Service of process*) or any equivalent provision of any other Finance Document entered into on or around the date of this Agreement, has accepted its appointment.
- (b) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document provided that such Authorisation or other document, opinion or assurance is requested at least five Business Days prior to the date on which the first Utilisation Request is delivered by the Borrower to the Agent pursuant to clause 5.1 (*Delivery of a Utilisation Request*).
- (c) Evidence that any EIFO Fees payable under the EIFO Guarantee Policy are not payable until the first Utilisation under Facility C.
- (d) The Fee Letters duly executed and evidence that the fees, commissions, costs and expenses then due from the Borrower pursuant to clause 13 (*Fees*) and clause 18 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.
- (e) Confirmation from EIFO that EIFO accepts the terms of this Agreement and the other Finance Documents or that it does not wish or intend to review them.
- (f) The Original Financial Statements.

4 Bank Accounts

Evidence that any Account of an Original Obligor required to be established under clause 30(*Bank accounts*) has been opened and established, that any Account Security in respect of each such Account has been executed and delivered by the relevant Account Holder(s) and that any notice required to be given to an Account Bank under that Account Security has been given to it and acknowledged by it in the manner required by that Account Security and that an amount has been credited to it.

5 Construction matters

A copy, certified by an approved person to be a true and complete copy, of each Upgrade Contract Document for each Existing Ship.

6 Security Documents

Duly executed and dated copies of each of the following Finance Documents, together with all duly executed notices, acknowledgments, letters, transfers, certificates and other documents required to be delivered thereunder:

- (a) Original Share Security;
and
- (b) Original Account
Security.

7 **"Know your customer"
information**

Such documentation and information as any Finance Party may reasonably request through the Agent to comply with "know your customer" or similar identification procedures under all laws and regulations applicable to that Finance Party.

8 **Merger**

- (a) A copy of each of the Business Combination Agreement, Merger Agreement and any other Acquisition Document that has been executed by the parties to those documents (or in the case of the Merger Agreement, a copy of the execution version of such document).
- (b) A copy of the structure chart of the Group which shows the corporate structure of the Group before the Closing Date and another one assuming the Closing Date has occurred.

Part 2
Conditions precedent to initial Utilisation

1 Corporate documents

- (a) A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in Part 1 of this Schedule remains correct, complete and in full force and effect as at a date no earlier than a date approved for this purpose and that any resolutions or power of attorney referred to in Part 1 of this Schedule in relation to it have not been revoked or amended.
- (b) A certificate of an authorised signatory of each other Original Obligor which is party to any of the Original Security Documents certifying that each copy document relating to it specified in Part 1 of this Schedule remains correct, complete and in full force and effect as at a date no earlier than a date approved for this purpose and that any resolutions or power of attorney referred to in Part 1 of this Schedule in relation to it have not been revoked or amended.
- (c) In respect of each Target Guarantor, all the documents and evidence required pursuant to Part 4 of this Schedule.

2 Security

- (a) The Mortgages, the General Assignment and (if applicable) the Deed of Covenant in respect of all the Ships duly executed by the relevant Owner.
- (b) The General Assignments in respect of all the Ships executed by the relevant Bareboat Charterer.
- (c) Duly executed notices of assignment and (on a reasonable efforts basis, unless such notice relates to an assignment of a Bareboat Charter or a Charter for which a Quiet Enjoyment Agreement is to be entered into where the relevant Ship has already been delivered under such Charter) acknowledgements of those notices as required by any of the above Security Documents, provided that no notices should be given in respect of a Charter or Charter Guarantee (as applicable) if an assignment would be in conflict with the relevant Charter or Charter Guarantee (but without prejudice to the provisions of clause 25.8(e) (*Dealings with Ship*) and clause 29.8 (*Quiet enjoyment*)).
- (d) A Subordination Deed, if and to the extent required under the provisions of 31.3 (*Financial Indebtedness*) or 31.5 (*Loans and credit*) on account of any Financial Indebtedness incurred by an Owner.
- (e) Duly executed and dated copies of each of the following Finance Documents, together with all duly executed notices, acknowledgments, letters, transfers, certificates and other documents required to be delivered thereunder:
 - (i) Target Share Security;
and
 - (ii) Target Account
Security.
- (f) Each Quiet Enjoyment Agreement required as a condition to the granting of a Mortgage under a Charter or any other charter commitment and/or the assignment of Earnings under a Charter, where the relevant Ship has already been delivered under such Charter, duly executed by the relevant Owner or, as applicable, Bareboat Charterer, the Security Agent and the relevant charterer (the Borrower hereby representing that no such Charter or charter commitment exists at the relevant time).

3 Registration of Ships

Evidence that each Ship:

- (a) is legally and beneficially owned by the relevant Owner and registered in the name of the relevant Owner free from any Security Interests (other than Security Interests created under the Finance Documents) through the relevant Registry as a ship under the laws and flag of the relevant Flag State;
- (b) is classed with the relevant Classification free of overdue requirements and overdue recommendations of the relevant Classification Society affecting class (including by way of an interim class certificate);
- (c) is insured in the manner required by the Finance Documents;
- (d) has, if applicable, been delivered to, and accepted for service by, the Bareboat Charterer under the relevant Bareboat Charter;
- (e) is free of any charter commitment (other than a Bareboat Charter) which would require approval under the Finance Documents; and
- (f) is not subject to any prior registration (other than through the relevant Registry in the relevant Flag State) or that any prior registration has been or will (within such period as may be approved) be cancelled.

4 **Mortgage registration**

Evidence that the Mortgage in respect of each Ship has been, or will simultaneously with the first Utilisation be, registered against each such Ship through the relevant Registry under the laws and flag of the relevant Flag State.

5 **Legal opinions**

The following further legal opinions, each addressed to the Agent, the Security Agent, EIFO, the Original Lenders and the Original Hedging Providers, substantially in the form distributed to the Original Lenders, the Original Hedging Providers and EIFO and approved by the Agent prior to signing this Agreement in relation to Security Documents and the EIFO Guarantee Policy and capable of being relied upon by any persons who become Lenders or Hedging Providers pursuant to the primary syndication of the Facilities:

- (a) a legal opinion of Norton Rose Fulbright LLP on matters of English law;
- (b) a legal opinion of Norton Rose Fulbright LLP on matters of Japanese law;
- (c) a legal opinion of Moalem Weitemeyer on matters of Danish law (except in respect of the EIFO Guarantee Policy);
- (d) a legal opinion of Moalem Weitemeyer on matters of Danish law in respect of the EIFO Guarantee Policy;
- (e) a legal opinion of Chrysses Demetriades & Co. LLC on matters of Cyprus law;
- (f) a legal opinion of Advokatfirmaet Wiersholm AS on matters of Norwegian law;
- (g) a legal opinion from legal counsel on matters of law of the relevant Flag State of the Ships; and
- (h) such other opinions or confirmations from relevant legal counsel selected by the Agent in respect of any matters in relation to this Agreement as the Agent shall deem necessary or desirable.

6 **Insurance**

In relation to each Ship's Insurances:

- (a) an opinion from insurance consultants appointed by the Agent on such Insurances;
- (b) evidence that such Insurances have been placed in accordance with clause 27 (*insurance*); and
- (c) evidence that approved brokers, insurers and/or associations have issued or will issue letters of undertaking (including fleet premium lien waivers) in favour of the Agent in an approved form in relation to the Insurances provided the same is requested at least 5 Business Days prior to the date on which the relevant Utilisation Request is delivered.

7 **ISM and ISPS Code**

In relation to each Ship, copies of:

- (a) the document of compliance issued in accordance with the ISM Code to the person who is the operator of the relevant Ship for the purposes of that code; and
- (b) if so requested by the Agent no later than 5 Business Days prior to the date on which the relevant Utilisation Request is delivered by the Borrower, any other certificates issued under any applicable code required to be observed by the relevant Ship or in relation to its operation under any applicable law.

8 **Value of security**

Valuations of the Ships obtained (not more than 60 days before the relevant Utilisation Date) in accordance with clause 28(*Minimum security value*) showing that the Security Value at the relevant time will be not less than the Minimum Value (including the first Loan that is to be drawn) upon execution of the Security Documents specified in paragraph 2 (*Security*) of this Part 2 of this Schedule and the relevant Utilisation.

9 **Fees and expenses**

Evidence that the fees, commissions, costs and expenses then due from the Borrower pursuant to clause 13(*Fees*), clause 18(*Costs and expenses*) have been paid or will be paid by the relevant Utilisation Date.

10 **Inventory of Hazardous Materials**

A copy of the certificate being the document listing all the potentially hazardous materials on board each Ship.

11 **Initial Bareboat Charter**

- (a) A form of bareboat charter provided by the Borrower to the Agent prior to the date of this Agreement as the template for all Bareboat Charters of the Ships in a form acceptable to the Agent (acting reasonably).
- (b) If applicable, in relation to the relevant Ship's Initial Bareboat Charter(s), a copy of the Initial Bareboat Charter(s) executed by all parties to it (i) evidencing that the terms of such Initial Bareboat Charter reflect the terms of the form referred to in paragraph (a) above and providing for charter hire which, for the entire tenor of the same, is not less than the relevant Minimum Bareboat Charter Hire or (ii) in such form and substance acceptable to the Majority Lenders (and the Lenders hereby confirm that the Initial Bareboat Charters in respect of Ship C and Ship D are hereby approved).

12 **Management**

Where a manager of a Ship has been approved in accordance with clause 25.4(*Manager*), a copy, certified by an approved person to be a true and complete copy, of the Management Agreement relating to such Ship in form and substance in all respects approved.

13 **Process Agent**

Evidence that any process agent of any Obligor referred to in any provision of any Finance Document to be entered into under this Part 2, has accepted its appointment.

14 **Bank Accounts**

Evidence that any Account of a Target Owner required to be established under clause 30(*Bank accounts*) has been opened and established, that any Account Security in respect of each such Account has been executed and delivered by the relevant Account Holder(s) and that any notice required to be given to an Account Bank under that Account Security has been given to it and acknowledged by it in the manner required by that Account Security and that an amount has been credited to it.

15 **Merger related reports**

Copies of all reports and other material documents related to the Merger deemed necessary by the Lenders, in form and substance satisfactory to the Lenders.

16 **Merger and due diligence**

- (a) A certificate executed by authorised signatories of the Borrower confirming that the Closing Date has occurred or will occur simultaneously with the first Utilisation and that the Target has been or can and will be delisted and deregistered from the SEC of the New York Stock Exchange.
- (b) Advice satisfactory to the Lenders and their legal advisors (including from Norton Rose Fulbright US LLP on matters of New York law and Marshall Islands law) that such arrangements are contractually agreed and legally possible under the applicable laws of the applicable jurisdictions and the Acquisition Documents.

17 **Compliance Certificate and Contracted Cash Flows Certificate**

- (a) A Compliance Certificate demonstrating compliance with the financial covenants set out in clause 22(*Financial covenants*) in respect of the Measurement Period ending on 30 June 2023; and
- (b) A Contracted Cash Flows Certificate demonstrating that the Loans outstanding will not exceed the Contracted Cash Flows Limit upon the relevant Utilisation.

18 **Repayment of Existing Facilities**

Evidence that the Existing Facilities (and any other existing Financial Indebtedness in respect of which Security Interests over the Ships or any Charged Property has been granted) have been or will be cancelled and repaid in full (and any Obligors' liabilities released thereunder) prior to, or simultaneously with, the relevant Utilisation and that any Security Interests over any of the Ships and any Charged Property have been released or will be released prior to or simultaneously with, the relevant Utilisation.

19 **People with Significant Control (PSC) regime**

In respect of any Obligor incorporated in the United Kingdom, either:

- (a) a certificate of an authorised signatory of the relevant Obligor certifying that:

(i) each Group Member has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Obligor; and

(ii) no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of its shares,

together with a copy of the "PSC register" (within the meaning of section 790C(10) of the Companies Act 2006) of the relevant Obligor, which is certified by an authorised signatory of the relevant Obligor to be correct, complete and not amended or superseded as at a date no earlier than the date three Business Days before the relevant proposed Utilisation Date; or

(b) a certificate of an authorised signatory of the relevant Obligor certifying that it is not required to comply with Part 21A of the Companies Act 2006.

20 **Hedging**

(a) A copy of each of the Hedging Master Agreements executed by the Borrower and each Original Hedging Provider.

(b) A copy of the Hedging Contract Security duly executed by the Borrower.

(c) Any notice required to be given to each Hedging Provider under the Hedging Contract Security has been given to it.

(d) Evidence that any existing Treasury Transactions to cover interest rate and/or currency exchange rate fluctuations and entered into by the Borrower with an Original Hedging Provider prior to the date of this Agreement now fall under the relevant Hedging Master Agreement referred to in paragraph (a) above.

21 **Ancillary Facilities**

(a) A copy of a facility agreement for an uncommitted guarantee facility (the **DNB Ancillary Facility Agreement**) in the amount of up to €100,000,000 between the Borrower as the debtor and DNB Bank ASA as the bank duly executed by the Borrower, constituting an Ancillary Facility.

(b) Evidence that any existing guarantee, bonding, documentary or stand-by letter of credit facility entered into by the Borrower with DNB Bank ASA or, as applicable, DNB Bank ASA, New York Branch, prior to the date of this Agreement now falls under the DNB Ancillary Facility Agreement referred to in paragraph (a) above.

Part 3
Conditions Precedent to Facility C Utilisation

1 Upgrade matters

- (a) A copy of each relevant Upgrade Contract duly executed.
- (b) Evidence that any Authorisations required from any government entity for the export of the crane for the relevant Existing Ship by the Contractor, and all insurances, permits, governmental and regulatory approvals, third party consents, authorisations, licences and similar arrangements required under or in connection with the relevant Upgrade Contract Documents, have been obtained or that no such Authorisations are required.
- (c) Evidence of the full Contract Price for the relevant Existing Ship (as adjusted in accordance with each Upgrade Contract, including amounts payable thereunder in respect of any variation orders for equipment or liquidated damages) showing that the amount of the relevant Facility C Loan is in compliance with the requirements of 5.3 (*Currency and amount*).
- (d) Evidence that the full Contract Price for the relevant Existing Ship (as adjusted in accordance with each Upgrade Contract in respect of that Existing Ship, including amounts payable thereunder in respect of any variation orders for equipment) will have been paid upon the relevant Utilisation being made and that the Contractor will not have any lien or other right to detain the Existing Ship on its Redelivery.
- (e) A copy of a completion report provided by the relevant Contractor evidencing completion of the crane upgrade for the relevant Existing Ship (and including a final capital expenditure amount) and, if so requested by the Agent no later than 5 Business Days prior to the date on which the relevant Utilisation Request is delivered, any other certificates or documents required under each relevant Upgrade Contract.

2 EIFO Guarantee Policy

- (a) An original counterpart of the EIFO Guarantee Policy, duly executed by EIFO.
- (b) A legal opinion of the legal advisers to the Agent in Denmark on matters of Danish law, substantially in the form approved by the Security Agent and the Lenders, which shall include confirmation that the EIFO Guarantee Policy has been duly issued for the benefit of the Lenders by EIFO and that it is in full force and effect.
- (c) Documents evidencing that the EIFO Fees in relation to the EIFO Guarantee Policy and any costs and expenses which are then due and payable to EIFO have been paid by the Borrower and received by EIFO in full.
- (d) Documents evidencing in a manner satisfactory to the Agent (as indicated by the EIFO Agent) that the EIFO Guarantee Policy for the relevant Facility C Loan is in full force and effect, including, for the avoidance of doubt, evidence that each of the conditions precedent set out in section 5 (*General conditions precedent*) of the Appendix (*Special Terms and Conditions*) forming part of the EIFO Guarantee Policy, have been satisfied.
- (e) The Agent has not been informed in writing that EIFO intends to, nor that EIFO has stipulated in writing its intention to, repudiate or suspend the application of the EIFO Guarantee Policy for any Facility C Loan.
- (f) EIFO has not instructed the EIFO Agent that the relevant Facility C Loan should not be permitted or made available by the Facility C Lenders or, as the case may be, the Agent.

3 Value of security

Valuations of the Ships obtained (not more than 60 days before the relevant Utilisation Date) in accordance with clause 28(*Minimum security value*) showing that the Security Value at the relevant time will be not less than the Minimum Value (including the Facility C Loan that is to be drawn) upon the relevant Utilisation.

4 Compliance Certificate and Contracted Cash Flows Certificate

- (a) A Compliance Certificate demonstrating compliance with the financial covenants set out in clause 22(*Financial covenants*) in respect of the latest Measurement Period for which Annual Financial Statements or Semi-Annual Financial Statements have been provided pursuant to clause 21.3 (*Financial statements*); and
- (b) A Contracted Cash Flows Certificate demonstrating that the Loans outstanding will not exceed the Contracted Cash Flows Limit upon the relevant Utilisation.

5 Satisfaction of Part 1 and Part 2 conditions precedent

Evidence that the Agent, or its duly authorised representative, has received all of the documents and other evidence listed in Part 1 and Part 2 of this Schedule in form and substance satisfactory to the Agent.

Part 4
Conditions Precedent for Additional Guarantors

- 1 An Accession Deed duly executed by the relevant Additional Guarantor and the Borrower.
 - 2 A copy of the Constitutional Documents of the relevant Additional Guarantor.
 - 3 A copy of a resolution of the board of directors of the relevant Additional Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Accession Deed and any other Finance Document to which it is party;
 - (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (d) authorising the Borrower to act as its agent in connection with the Finance Documents
 - 4 A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
 - 5 If applicable, a copy of a resolution signed by all the holders of the issued shares in each Additional Guarantor, approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents.
 - 6 A certificate of the relevant Additional Guarantor (signed by an authorised signatory) confirming that guaranteeing or securing, as appropriate, the Total Commitments would not cause any guarantee, security or similar limit binding on it to be exceeded.
 - 7 A certificate of an authorised signatory of the relevant Additional Guarantor certifying that each copy document listed in this Part 4 of Schedule 3 (*Conditions precedent*) in respect of the Additional Guarantor is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Deed.
 - 8 A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Deed or for the validity and enforceability of any Finance Document.
 - 9 If available, the latest audited financial statements of the relevant Additional Guarantor.
 - 10 The following legal opinions, each addressed to the Agent, the Security Agent and the Lenders:
 - (a) A legal opinion of Norton Rose Fulbright LLP, legal advisers to the Agent in England, as to English law in the form distributed to the Lenders, the Agent and EIFO prior to signing the Accession Deed.
 - (b) A legal opinion of the legal advisers to the Agent in the jurisdiction of incorporation of the relevant Additional Guarantor and the jurisdiction of the governing law of each Finance Document to which it is a party (an **Applicable Jurisdiction**) as to the law of each Applicable Jurisdiction and in the form distributed to the Lenders, the Agent and EIFO prior to signing the Accession Deed.
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- 11 If the relevant Additional Guarantor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in clause 57.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to that Additional Guarantor.
- 12 Any Finance Documents which are required by the Agent to be executed by the relevant Additional Guarantor including but not limited to duly executed Share Security, together with all duly executed notices, acknowledgments, letters, transfers, certificates and other documents required to be delivered thereunder.
- 13 Such documentary evidence as legal counsel to the Agent may require, that the relevant Additional Guarantor has complied with any law in its jurisdiction relating to financial assistance or analogous process.

Part 5
Conditions subsequent

1 **Sinosure facility agreement**

No later than the date falling 3 months from the date of this Agreement, a copy of a facility agreement for a Sinosure-backed green term loan facility for up to €425,000,000 between, among others, Wind N1063 Limited and Wind N1064 Limited as borrowers, the Borrower as parent and guarantor, the financial institutions listed in Schedule 1 thereto as lenders and DNB Bank ASA as agent, Sinosure agent and security agent duly executed by all parties thereto.

2 **Bank Accounts**

- (a) No later than 10 Business Days after the first Utilisation, evidence that the balance standing to the credit of any existing accounts maintained by an Owner (other than any Account) has been transferred to the Earnings Account of that Owner.
- (b) No later than the date falling 3 months from the date of this Agreement, evidence that any existing accounts maintained by an Original Owner or a Target Owner (except any Account) have been closed.

3 **Security**

No later than the earlier of (i) 31 March 2024; and (ii) the date falling 5 Business Days prior to the delivery of the relevant Ship to the relevant Charterer:

- (a) duly executed acknowledgements of any notice of assignment as required pursuant to paragraph 2 of Part 2 of Schedule 3 (*Conditions precedent*) which relate to an assignment of Earnings of a Charter (and any related Charter Guarantee) for which a Quiet Enjoyment Agreement is to be entered into; and
- (a) each Quiet Enjoyment Agreement required as a condition to the granting of a Mortgage under a Charter or any other charter commitment and/or the assignment of Earnings under a Charter, under any such charter commitment in place at the time of Utilisation, in agreed form by all parties thereto.

**Schedule 4
Utilisation Request**

From: Cadeler A/S
To: [DNB Bank ASA as Agent]
Dated: [●]

Dear Sirs

€550,000,000

Facilities Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
- 2 We wish to borrow [a Loan under Facility [A][B]][the Facility C Loan [A][B]] on the following terms:

Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)

Amount: €[●]
- 3 We confirm that each condition specified in clause 4.3 (*Further conditions precedent*) of the Facility Agreement is satisfied on the date of this Utilisation Request.
- 4 The purpose of this Loan is [specify purpose complying with clause 3 of the Facility Agreement] [and its proceeds should be credited to [●] [specify account]].
- 5 We request that the first Interest Period for the relevant Loan be [3] Months.
- 6 This Utilisation Request is irrevocable and cannot be varied without the prior written consent of the Majority Lenders [*For Facility C Loans only:*] [and EIFO].

Yours faithfully

.....
authorised signatory for
CADELER A/S

**Schedule 5
Selection Notice**

From: Cadeler A/S
To: [DNB Bank ASA as Agent]
Dated: [●]
Dear Sirs

€550,000,000

Facilities Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a Selection Notice. Terms defined in the Facility Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
- 2 We request that the next Interest Period for the Facility C Loan [A] [B] in relation to Ship [A][B] be [●] Months.
- 3 This Selection Notice is irrevocable.

Yours faithfully

.....
authorised signatory for
CADELER A/S

Schedule 6
Schedule of Repayment Amounts

Repayment Date	Facility C Loan A (in relation to Ship A) Amount €50,000,000	Facility C Loan B (in relation to Ship B) Amount €50,000,000
First	1,515,151.52	1,515,151.52
Second	1,515,151.52	1,515,151.52
Third	1,515,151.52	1,515,151.52
Fourth	1,515,151.52	1,515,151.52
Fifth	1,515,151.52	1,515,151.52
Sixth	1,515,151.52	1,515,151.52
Seventh	1,515,151.52	1,515,151.52
Eighth	1,515,151.52	1,515,151.52
Ninth	1,515,151.52	1,515,151.52
Tenth	1,515,151.52	1,515,151.52
Eleventh	1,515,151.52	1,515,151.52
Twelfth	1,515,151.52	1,515,151.52
Thirteenth	1,515,151.52	1,515,151.52
Fourteenth	1,515,151.52	1,515,151.52
Fifteenth	1,515,151.52	1,515,151.52
Sixteenth	1,515,151.52	1,515,151.52
Seventeenth	1,515,151.52	1,515,151.52
Eighteenth	1,515,151.52	1,515,151.52
Nineteenth	1,515,151.52	1,515,151.52
Twentieth	1,515,151.52	1,515,151.52
Twenty First	1,515,151.52	1,515,151.52
Twenty Second	1,515,151.52	1,515,151.52
Twenty Third	1,515,151.52	1,515,151.52
Twenty Fourth	1,515,151.52	1,515,151.52
Twenty Fifth	1,515,151.52	1,515,151.52
Twenty Sixth	1,515,151.52	1,515,151.52
Twenty Seventh	1,515,151.52	1,515,151.52
Twenty Eighth	1,515,151.52	1,515,151.52
Twenty Ninth	1,515,151.52	1,515,151.52
Thirtieth	1,515,151.52	1,515,151.52
Thirty First	1,515,151.52	1,515,151.52
Thirty Second	1,515,151.52	1,515,151.52
Thirty Third	1,515,151.32	1,515,151.32
TOTAL	€50,000,000	€50,000,000

Schedule 7
Form of Ancillary Lender Accession Letter

To: DNB Bank ASA as Agent for the other Finance Parties to the Facility Agreement referred to below

From: [Additional Ancillary Lender] (the **Additional Ancillary Lender**)

Dated: [•]

Dear Sirs

€550,000,000 Facilities Agreement
dated [•] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is an Ancillary Lender Accession Letter. Terms defined in the Facility Agreement have the same meaning in this Ancillary Lender Accession Letter unless given a different meaning in this Ancillary Lender Accession Letter.
- 2 We refer to clause 6.8 (*Accession of Ancillary Lender to this Agreement*). The Additional Ancillary Lender agrees to become an Ancillary Lender and to be bound by the terms of the Facility Agreement as an Ancillary Lender.
- 3 This Ancillary Lender Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

[Additional Ancillary Lender]

By: [•]

[Agent]

By: [•]

Schedule 8
Form of Hedging Provider Accession Letter

To: DNB Bank ASA as Agent for the other Finance Parties to the Facility Agreement referred to below

From: [Additional Hedging Provider] (the **Additional Hedging Provider**)

Dated: [•]

Dear Sirs

€550,000,000 Facilities Agreement
dated [•] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a Hedging Provider Accession Letter. Terms defined in the Facility Agreement have the same meaning in this Hedging Provider Accession Letter unless given a different meaning in this Hedging Provider Accession Letter.
- 2 We refer to clause 35.13 (*Accession of Hedging Providers to this Agreement*). The Additional Hedging Provider agrees to become a Hedging Provider and to be bound by the terms of the Facility Agreement as a Hedging Provider.
- 3 This Hedging Provider Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

[Additional Hedging Provider]

By: [•]

[Agent]

By: [•]

Schedule 9
Form of Accession Deed

To: DNB Bank ASA as Agent and as Security Agent for the other Finance Parties to the Facility Agreement referred to below

From: [insert Additional Guarantor name]

Dated: [●]

Dear Sirs

€550,000,000 Facilities Agreement
dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This deed (the **Accession Deed**) shall take effect as an Accession Deed for the purposes of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Accession Deed unless given a different meaning in this Accession Deed.
- 2 With effect on the date of this Accession Deed, [●] (the **NewCo**) agrees to become an Additional Guarantor and to be bound by the terms of the Facility Agreement and the other Finance Documents as an Additional Guarantor pursuant to clause 36.5 (*Additional Guarantors*) of the Facility Agreement. [●] is a [company duly incorporated] under the laws of [*name of relevant jurisdiction*] with registered number [●].
- 3 With effect on the date of this Accession Deed, the NewCo shall be, and is hereby made, an additional party to the Facility Agreement, as joint and several guarantor with the Guarantors as at the date of the Facility Agreement (the **Original Guarantors**) and any other Additional Guarantor previously made a guarantor under the Facility Agreement (a **Previously Acquired Additional Guarantor**), and the Facility Agreement shall henceforth be construed and treated in all respects as if references therein to “Guarantors” included references to the NewCo in addition to the Original Guarantors and any Previously Acquired Additional Guarantor.
- 4 The NewCo hereby agrees with the Finance Parties, the Original Guarantors, any Previously Acquired Additional Guarantor and the Borrower that, as and with effect from the date of this Accession Deed, it shall, jointly and severally with the Original Guarantors and any Previously Acquired Guarantor:
 - (a) be bound by the terms of the Facility Agreement as if the NewCo had all times been named therein as Guarantor;
 - (b) duly and punctually perform all the liabilities and obligations whatsoever from time to time to be performed or discharged by the Original Guarantors and any Previously Acquired Additional Guarantor under the Facility Agreement (and for which the Original Guarantors, any Previously Acquired Additional Guarantor and NewCo hereby agree to be jointly and severally liable); and
 - (c) without prejudice to the generality of paragraphs (a) and (b) above, be a guarantor under the Guarantee in respect of the full amount of the Loans, interest thereon and all other sums which may be or become due to the Finance Parties pursuant to the Facility Agreement.
- 5 The Borrower confirms that no Default is continuing or would occur as a result of NewCo becoming a Guarantor.
- 6 NewCo’s administrative details for the purposes of the Facility Agreement are as follows:

Address: [●]

Attention: [●]

7 This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS ACCESSION DEED has been signed on behalf of the Agent, signed on behalf of the Security Agent, executed as a deed by the Borrower and executed as a deed by [Additional Guarantor] and is delivered on the date stated above.

EXECUTED as a DEED)
by)
for and on behalf of)
[●])
as NewCo and Additional Guarantor) Attorney-in-fact
in the presence of:)

.....
Witness
Name:
Address:
Occupation:

EXECUTED as a DEED)
by)
for and on behalf of)
CADELER A/S)
as Borrower) Attorney-in-fact
in the presence of:)

.....
Witness
Name:
Address:
Occupation:

THE AGENT

[DNB BANK ASA]

By:

THE SECURITY AGENT

[DNB BANK ASA]

By:

Schedule 10
Form of Transfer Certificate

To: **DNB BANK ASA** as
Agent

From: [The Existing Lender], a company incorporated in [insert jurisdiction of incorporation] (the Existing Lender), and [The New Lender], a company incorporated in [insert jurisdiction of incorporation] (the New Lender)

Dated:

€550,000,000 Facilities Agreement dated [•] (the Facility Agreement)

- 8 We refer to the Facility Agreement. This agreement (the **Agreement**) shall take effect as a Transfer Certificate for the purposes of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
- 9 We refer to clause 35.8 (*Procedure for assignment*) of the Facility Agreement:
- (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facility Agreement and the other Finance Documents which correspond to that portion of the Existing Lender's Commitment and participations in the Loans under the Facility Agreement as specified in the Schedule.
 - (b) The Existing Lender is released from the obligations owed by it which correspond to that portion of the Existing Lender's Commitment and participations in the Loans under the Facility Agreement specified in the Schedule (but the obligations owed by the Obligor under the Finance Documents shall not be released).
 - (c) On the Transfer Date the New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
 - (d) The proposed Transfer Date is [•].
 - (e) The Facility Office and address, email address and attention details for notices of the New Lender for the purposes of clause 47.2(*Addresses*) of the Facility Agreement are set out in the Schedule.
- 10 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in clause 35.7 (*Limitation of responsibility of Existing Lenders*) of the Facility Agreement.
- 11 This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with clause 35.9(*Copy of Transfer Certificate to Borrower*) of the Facility Agreement, to the Borrower (on behalf of each Obligor) of the assignment referred to in this Agreement.
- 12 This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
- 13 This Agreement and any non-contractual obligations connected with it are governed by English law.
- 14 This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Transfer Certificate may not assign a proportionate share of the Existing Lender's interest in the EIFO Guarantee Policy or in the Security Documents in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents

or other formalities are required to perfect an assignment of such a share in the Existing Lender's interest in any EIFO Guarantee Policy or the Security Documents in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

The Schedule

Rights to be assigned and obligations to be released and undertaken

[insert relevant details]

[Facility Office address, email address and attention details for notices and account details for payments.]

[Existing Lender] [New Lender]

By: By:

This Agreement is accepted by the Agent as a Transfer Certificate for the purposes of the Facility Agreement and the Transfer Date is confirmed as [].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[DNB BANK ASA] as Agent

By:

Schedule 11
Form of Compliance Certificate

To: **DNB Bank ASA** as
Agent

From: **Cadeler A/S**, a company incorporated in Denmark, as
Borrower

Dated: [●]

Dear Sirs

€550,000,000 Facilities Agreement
dated [●] (the Facility Agreement)

1 Financial Covenants

I/We confirm that as at the Measurement Period ended on [30 June] [31 December] [●]:

- (a) **Equity Ratio:** the Equity Ratio is [●]:1.0, calculated as shown in Appendix A and compared against a minimum ratio which is 0.35:1.0.
- (b) **Liquidity:** the Borrower (on a consolidated basis) maintains Cash and Cash Equivalents of €[●], calculated as shown in Appendix B and compared against a minimum required amount of €[●].
- (c) **Working Capital:** the Working Capital was higher than zero (0), being €[●], calculated as shown in Appendix C.

2 Security Requirement

We confirm that the Security Value is €[●] calculated as shown in Appendix D, compared against a Minimum Value of €[●], calculated as shown in Appendix E.

3 Distributions

For the purposes of clause 31.13 (*Distributions and other payments by Group*), the ratio of (a) Net Interest Bearing Debt to (b) EBITDA, was [not] lower than 2.75:1.00.

4 Default

[I/We confirm that no Default has occurred and is continuing.] [If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.]

Signed by:

.....
Chief Financial Officer
CADELER A/S

Schedule 12
Form of Green Loan Compliance Certificate

To: [DNB Bank ASA as Agent]
From: Cadeler A/S
Dated: [●]

Dear Sirs

€550,000,000 Facilities Agreement
dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a Green Loan Compliance Certificate. Terms defined in the Facility Agreement have the same meaning when used in this Green Loan Compliance Certificate unless given a different meaning in this Green Loan Compliance Certificate.
- 2 This Green Loan Compliance Certificate is delivered with respect to the financial year ending [] (the **Relevant Financial Year**).
- 3 We confirm that [*Insert details re compliance with the Green Loan Criteria*]
- 4 As shown above, the Green Loan Criteria were [not] complied with.
Accordingly:
 - (a) [the applicable Green Loan Margin Adjustment is a [decrease] to the Margin of [] per cent. per annum]/[there is no Green Loan Margin Adjustment];
 - (b) the Margin applicable to the Facilities following the Green Loan Margin Adjustment is:
[●]

[Set out relevant calculations in reasonable detail]
- 5 We confirm that the Green Loan Report relating to the Relevant Financial Year and attached hereto is a correct and complete copy of the original and has not been amended or superseded as at the date of this Green Loan Compliance Certificate.

Signed

.....

.....

Director

Director

[●]

[●]

Schedule 13
Form of Contracted Cash Flows Certificate

To: **DNB Bank ASA** as
Agent

From: **Cadeler A/S**, a company incorporated in Denmark, as
Borrower

Dated: [●]

Dear Sirs

€550,000,000 Facilities Agreement
dated [●] (the Facility Agreement)

1 Contracted Cash Flows

I/We confirm that as at [31 March] [30 June] [30 September] [31 December]:

- (a) **Contracted Cash Flows:** the estimated Contracted Cash Flows is €[●] (or the equivalent in any other currency) (the **Estimated Contracted Cash Flows**), calculated as shown in Appendix A.
- (b) **Outstanding Loans:** the aggregate amount of all outstanding Loans is €[●], being [●]% of Estimated Contracted Cash Flows, calculated as shown in Appendix B, therefore it is [not] in excess of the Contracted Cash Flows Limit of 80%.

2 Default

[I/We confirm that no Default has occurred and is continuing.] [If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.]

Signed by:

.....
[Chief Financial Officer][Chief Executive Officer]
CADELER A/S

Schedule 14
Forms of Notifiable Debt Purchase Transaction Notice

Part 1
Form of Notice on Entering into Notifiable Debt Purchase Transaction

To: **DNB Bank ASA as Agent**

From: [The Lender]

Dated:

€550,000,000 Facilities Agreement dated [●] 2023 (the “Agreement”)

- 1 We refer to clause 36.3(b) (*Disenfranchisement of Debt Purchase Transactions entered into by Borrower Affiliates*) of the Agreement. Terms defined in the Agreement have the same meaning in this notice unless given a different meaning in this notice.
- 2 We have entered into a Notifiable Debt Purchase Transaction.
- 3 The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment

Amount of our Commitment to which Notifiable Debt Purchase Transaction relates

[]

[insert amount (of Commitment) to which the relevant Debt Purchase Transaction applies]

[Lender]

By:

Part 2
Form of Notice on Termination of Notifiable Debt Purchase Transaction /
Notifiable Debt Purchase Transaction ceasing to be with Borrower Affiliate

To: **DNB Bank ASA** as
Agent

From: [The Lender]

Dated:

€550,000,000 Facilities Agreement dated [●] 2023 (the “Agreement”)

- 1 We refer to clause 36.2 (*Prohibition on Debt Purchase Transactions by the Group*) of the Agreement. Terms defined in the Agreement have the same meaning in this notice unless given a different meaning in this notice.
- 2 A Notifiable Debt Purchase Transaction which we entered into and which we notified you of in a notice dated [●] has [terminated]/[ceased to be with a Borrower Affiliate].
- 3 The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment

**Amount of our Commitment to which Notifiable Debt Purchase
Transaction relates (Base Currency)**

[●]

*[insert amount (of Commitment) to which the relevant Debt Purchase
Transaction applies]*

[Lender]

By:

Schedule 15
EIFO Guarantee Policy – Environmental and social matters

Unless defined in paragraph 1 below, defined terms used in this Schedule shall have the meaning given to them in the EIFO Guarantee Policy.

The Beneficiary shall ensure that the following minimum requirements are appropriately incorporated in the Facility Agreement and continue to be in full force and effect throughout the term of the Guarantee:

1 Definitions relating to Environmental and Social matters

“Corrective Action Plan” or “CAP” means a plan produced by the Borrower pursuant to this Agreement in consultation with and taking into account the comments of the Facility Agent and the IESC specifying in detail the corrective action (including the timings and responsibility for such action(s)) being taken or proposed to be taken in order to, remedy or mitigate all damage and adverse consequences caused by an Environmental and Social Trigger Event, as may be amended or updated from time to time with the consent of EIFO.

“Environment” means the Natural Environment and the Social Environment.

“Environmental and Social Claim” means, with respect to the Borrower or the Project (but solely with respect to such operations on or about the Project Site) or any other Person occupying, using, or conducting operations on or about the Project Site, any (a) written notice or claim, (b) administrative, regulatory, judicial or equitable action, suit, lien or judgment by any Governmental Authority and/or competent court or (c) written demand by any person or any written communication by any Governmental Authority and/or competent court, in the case of clauses (a) through (c) relating to Environmental matters or circumstances forming the basis of any violation, or alleged violation, of any Environmental and Social Law, any Environmental and Social Standards or any Environmental Permits issued by any Governmental Authority under applicable Environmental and Social Law, in each case, alleging or asserting liability for investigatory costs, clean-up costs, consultants' fees, governmental response costs, damage to natural resources (including wetlands, wildlife, aquatic and terrestrial species and vegetation), property damages, personal injuries, material labour issues, human rights issues, fines or penalties or any other damages.

“Environmental and Social Incident” means:

- (a) any incident or accident relating to or resulting from the Project which directly or indirectly, has, or could reasonably be expected to have an adverse impact on the Environment (including the release of any Environmental Contaminant in sufficient quantity or concentration to have an adverse impact);
- (b) an accident resulting in death or serious or multiple injury, which the IESC has declared to be a material incident and informed the Facility Agent of such declaration; or
- (c) a significant community or worker related grievance or protest directed at the Project.

“Environmental and Social Investigation” means any investigation by any Governmental Authority or other public person in relation to the Project with respect to the Environmental and Social Obligations.

“Environmental and Social Laws” means any legislation, rule, decree, judgment, regulation, directive, by-law, order or any other executive or legislative measure or act having the force of law at the relevant time, including any Environmental Permits required by any of the above, which directly or indirectly relates to the protection of or the prevention of harm or damage to the Environment in respect of (i) the Project or (ii) the assets, business and operations of the Borrower relating to the Project;

“Environmental and Social Obligation” means the obligations to comply with any Environmental and Social Law, any Environmental and Social Standard, any Environmental Permits, any Environmental and Social Undertaking set out herein and any other Environmental and Social requirement contained in this Agreement, in each case in relation to the Borrower, including:

- i. When applicable and in force, the EU Corporate Sustainability Due Diligence Directive (CSDDD), including setting out requirements to suppliers (including applicable tier 2 suppliers) in accordance with Borrower's Supply Chain Code of Conduct;
- ii. OECD Guidance for Multinational Enterprises; Including the minimum safeguards as set out in the OECD Guidance for Multinational Enterprises,
- iii. UN Guiding Principles on Business and Human Rights,
- iv. the ILO declarations on Fundamental Principles and Rights at Work, which is included to Borrower's policy and ESMP, and
- v. the EU Corporate Sustainability Reporting Directive (CSRD).

“Environmental and Social Obligations Breach” means a breach of any Environmental and Social Obligation by the Borrower other than any such breach that has been disclosed to the Facility Agent and where such breach has been remedied under a Corrective Action Plan or other corrective action otherwise agreed with the facility Agent (acting on instructions from of EIFO).

“Environmental Permits” means the permits, authorizations, concessions, certifications, declarations, consents, licenses, approvals, exemptions, applications, filings or registrations required to be obtained or filed pursuant to Environmental and Social Law, as applicable, by the Borrower or any other Person from or with any Governmental Authority in connection with construction, the operation, management and decommissioning of the Project.

“Environmental and Social Standards” means those environmental and social standards applicable in relation to the Borrower and Project, and as reflected in the Environmental and Social Management Plan, including:

- (a) international conventions relating to the Environment to which Denmark is a signatory and which have been ratified into law in Denmark.
- (b) the IFC Environmental, Health and Safety Guidelines per 30 April 2007 including without limitation the General EHS Guidelines and all applicable Industry Sector Guidelines; and
- (c) the IFC Performance Standards per 1 January 2012;

“Environmental and Social Trigger Event” means:

- (a) an Environmental and Social Incident; and/or
- (b) an Environmental and Social Obligations Breach.

“Governmental Authority” means the government of Denmark and any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, municipality or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government.

“Knowledge” means, with respect to any Person, the actual knowledge of any officer or director of such Person or such knowledge as such officer or director of such Person should have obtained, in each case, after due inquiry by such officer or director of the plant manager of the Project and/or of any Person employed by such Person or its Affiliates that has supervisory authority over the Project or the operations of such Person.

"Natural Environment" means elements of the natural environment including all, or any, of the following:

- (a) the air and climate (including, without limitation, any layer of the atmosphere and the air within buildings and the air within other natural or man-made structures above or below ground);
- (b) water (including, without limitation, marine, territorial, coastal, estuarine and inland waters, ground and surface water, and water in drains and sewers);
- (c) land (including, without limitation, reclaimed land, surface and sub-surface soil, the landscape and land under water);
- (d) living organisms including human life, animals and plants;
- (e) natural habitats (including land which has been altered by humans to form natural habitats); and
- (f) human health, ecosystems or the services that these ecosystems provide.

"Social Environment" means elements of the social environment including all, or any, of the following:

- (a) archaeological artefacts, architectural and cultural heritage, visual amenity, cultural habitats and the built environment;
- (b) the services provided by the environment upon which people depend for their health, wellbeing and livelihood;
- (c) Human Rights, including without limitation community, labor and workers' rights and conditions;
- (d) human health, safety and security, including without limitation health, safety and security relating to the community, public and workforce;
- (e) rights and interests and empowerment of indigenous peoples, ethnic minorities and vulnerable groups;
- (f) civil society and human beings and any material adverse impact thereon including, without limitation continued physical settlement, resettlement, land acquisition, economic placement and/or livelihood or living standards of those of persons (including in relation to involuntary physical resettlement or economic displacement); and
- (g) public participation and stakeholder engagement.

2 Representations and warranties

The Borrower shall represent and warrant the following:

- i. There are no facts, circumstances, conditions or occurrences regarding the Project that has resulted or could result in any breach by the Project, the Borrower, or to the Knowledge of the Borrower, or any other Person occupying or conducting activities on or about the Project Site, of Environmental and Social Laws, Environmental and Social Standards, Environmental Permits and/or the ESMP;
- ii. The Borrower (and to the best of its knowledge the Exporter) has obtained all Environmental Permits that, as at the date on which this representation is made or repeated, are required by applicable law to be obtained or effected and each such Environmental Permit is in full force and effect;

- iii. There are no past or pending Environmental and Social Investigations in relation to and/or Environmental and Social Claims against the Borrower, the Project or to the Knowledge of the Borrower, any other Person occupying, using, or conducting activities on or about the Project Site; and
- iv. There are no facts, circumstances, conditions or occurrences in respect of the Project that (i) could reasonably be anticipated to form the basis of an Environmental and Social Investigation in relation to and/or an Environmental and Social Claim against the Project, the Borrower, or to the Knowledge of the Borrower, or any other Person occupying or conducting operations on or about the Project Site, or (ii) could reasonably be anticipated to cause the Project Site to be subject to any restrictions on its ownership, occupancy, use or transferability under any applicable law (including any Environmental and Social Law).

3 Environmental and Social undertakings

The Borrower shall through-out the duration of the Guarantee:

- i. comply in all respects with all Environmental and Social Obligations,
- ii. allow EIFO access to the Project Site whenever EIFO deems necessary upon reasonable written prior notice from EIFO. Such access not to be unreasonably withheld;
- iii. after becoming aware of any fact, circumstance, condition or occurrence on, under or from the Project that has resulted or could result in (a) any Environmental and Social Trigger Event (b) any Environmental and Social Investigation (c) an Environmental or Social Claim, (d) any Material Adverse Effect or (e) national or international media attention;
 - a. promptly initiate or procure the initiation of, all such actions and measures required to immediately address the adverse impacts hereof;
 - b. promptly, but in any event within five (5) Business Days of the Borrower becoming aware of such fact circumstance, condition or occurrence, provide the Facility Agent with written notice in each case describing in reasonable detail the nature of hereof including:
 - 1. its extent, magnitude and cause, and its effect on the Project, the environment and the local communities; and
 - 2. any remedial action which the Borrower has taken or proposes to take with respect to such fact, circumstance, condition or occurrence and the results hereof (as set out in subparagraph iii. (a) to (e)) including the form and amount of any proposed compensation for those affected by such effect and the actual and expected results hereof;

This shall be repeated at monthly intervals thereafter until the Facility Agent is satisfied that the fact, circumstance, condition or occurrence and the results hereof (as set out in subparagraph iii. (a) to (e)) have been satisfactorily remedied;

- c. conduct and complete, or cause to be conducted and completed any investigation, study, sampling and testing (including, if requested by the Facility Agent, submission of a Corrective Action Plan) and undertake any clean-up, removal, remedial or other action necessary to remove and clean up any such fact, circumstance, condition or occurrence and the results hereof (as set out in subparagraph iii. (a) to (e)), as may be required by applicable Environmental and Social Laws or Environmental and Social Standards and promptly notify the Facility Agent of any such action;
- iv. provide the Facility Agent with copies of all written communications with any Governmental Authority relating to (a) any Environmental matter, (b) Environmental

Permits (c) any Environmental and Social Trigger Event, (d) any Environmental or Social Claim (e) any Environmental and Social Investigation, in any event no later than five (5) Business Days after the giving or receiving of any such written communications. Further, within three (3) days after its occurrence, the Borrower shall notify the Facility Agent of any significant community or worker-related protest directed to the Project which can potentially have a Material Adverse Effect on the Project or which potentially may result in national or international media attention;

- v. ensure that any report, certificate or other communication from the Borrower made for the purpose of assessing the environmental or social sustainability of the Project are in form and substance acceptable to the Facility Agent acting on the instructions of EIFO.
- vi. upon written request provide such information concerning any Environmental matters, Environmental and Social Trigger Event, any Environmental and Social Investigation and any Environmental and Social Claim as may be reasonably requested by EIFO;
- vii. ensure that any outstanding cost related to any Environmental and Social Obligations contained herein (incl. any fee due and owing to the IESC) is paid by the Borrower when due.

**4 Conditions
Subsequent**

The Beneficiary Agent shall provide proof of the following:

Borrower to set a target for reduction of scope 3 emissions for the two O-class vessels and share with EIFO no later than 31 December 2024.

**5 Events of default/Mandatory
prepayment**

The following events shall constitute Events of Default/trigger a Mandatory Prepayment under the Facility Agreement which shall give the Facility Agent the right to accelerate all amounts outstanding under the Finance Documents and cancel the EIFO Covered Facility:

- (a) An Environmental and Social Trigger Event occurs and is either incapable of remedy or any Environmental and Social Trigger Event is deemed to be incapable of remedy by the Facility Agent (acting on the instructions of EIFO)
- (b) Any Environmental and Social Trigger Event that is capable of remedy will constitute an Event of Default unless the Borrower complies with the following:
 - a. Within fifteen (15) Business days of the Borrowers Knowledge of an Environmental and Social Trigger Event shall the Borrower deliver a CAP to the satisfaction of the Facility Agent, unless the Facility Agent agrees to other course of remedial action or the Facility Agent waives the non-compliance situation,
 - b. If the CAP is rejected by the Facility Agent shall the Borrower within three (3) months from the Borrowers Knowledge of the Environmental and Social Trigger Event have delivered a revised CAP which satisfies the Facility Agent,
 - c. If the Facility Agent is satisfied with the CAP, shall all actions set out in the CAP be implemented by the Borrower within the agreed time schedule,
 - d. At three months intervals hereof, a supplemental Environmental and Social Self-Monitoring Report on implementation of CAP shall be submitted by the Borrower to the satisfaction of the Facility Agent. When all actions are taken in accordance with the time schedule agreed in the CAP, the Environmental and Social Trigger Event will be deemed to be remedied. If all actions are not taken within the time schedule agreed in the CAP, the Environmental and Social Trigger Event will constitute an Event of Default, unless the Facility Agent notifies the Borrower otherwise.

- (c) Failure by the Borrower to give notice to the Facility Agent promptly after the occurrence of an Environmental and Social Trigger Event or becoming aware of any Environmental and Social Investigation, any Environmental and Social Claim, any Material Adverse Effect or national or international media attention.

SIGNATURES

THE BORROWER

CADELER A/S

By: /s/ Peter Brogaard Hansen

Peter Brogaard Hansen

THE GUARANTORS

WIND ORCA LIMITED

By: Peter Brogaard Hansen

/s/ Peter Brogaard Hansen

Attorney-in-fact

WIND OSPREY LIMITED

By: Peter Brogaard Hansen

/s/ Peter Brogaard Hansen

Attorney-in-fact

THE ARRANGERS

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

COÖPERATIEVE RABOBANK U.A.

By: /s/ G.C. Haanschoten
G.C. Haanschoten
Managing Director

By: /s/ W.F. Zetteler
W.F. Zetteler
Managing Director
Proxy AB

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

DANSKE BANK A/S

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

OVERSEA-CHINESE BANKING CORPORATION LIMITED

By: /s/ Angeline Teo
Angeline Teo
OCBC Bank

SOCIETE GENERALE

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

STANDARD CHARTERED BANK (SINGAPORE) LIMITED

By: /s/ Amy Chow
Amy Chow
Managing Director
Shipping Finance

THE AGENT

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

THE SECURITY AGENT

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

THE EIFO AGENT

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

THE BOOKRUNNER AND CO-ORDINATOR

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

THE LENDERS

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

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Angeline Teo
OCBC Bank

SOCIETE GENERALE

By: /s/ Jennifer Carr
Jennifer Carr,
Attorney-in-fact

STANDARD CHARTERED BANK (SINGAPORE) LIMITED

By: /s/ Amy Chow
Amy Chow
Managing Director
Shipping Finance

THE HEDGING PROVIDERS

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

COÖPERATIEVE RABOBANK U.A.

By: /s/ G.C. Haanschoten
G.C. Haanschoten
Managing Director

By: /s/ W.F. Zetteler
W.F. Zetteler
Managing Director
Proxy AB

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OVERSEA-CHINESE BANKING CORPORATION LIMITED

By: /s/ Angeline Teo
Angeline Teo
OCBC Bank

SOCIETE GENERALE

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

STANDARD CHARTERED BANK (SINGAPORE) LIMITED

By: /s/ Amy Chow
Amy Chow
Managing Director
Shipping Finance

Dated 22 December 2023

**THE ENTITIES LISTED IN SCHEDULE 1
as Borrowers**

**DNB BANK ASA
BANCO SANTANDER, S.A.
COÖPERATIEVE RABOBANK U.A.
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK
CRÉDIT INDUSTRIEL ET COMMERCIAL SINGAPORE BRANCH
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH
KFW IPEX-BANK GMBH
OVERSEA-CHINESE BANKING CORPORATION LIMITED
SOCIETE GENERALE
SPAREBANK 1 SR-BANK ASA
STANDARD CHARTERED BANK (SINGAPORE) LIMITED
as Mandated Lead Arrangers**

with

**DNB BANK ASA
as Agent**

**DNB BANK ASA
as Security Agent**

**DNB BANK ASA
as Sinosure Agent**

**guaranteed by
CADELER A/S**

**FACILITY AGREEMENT
for Sinosure-backed Green Term Loan Facility of up to
€425,000,000**

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THIS AGREEMENT is dated 22 December 2023 and made between:

- (1) **THE ENTITIES** listed in Schedule 1 (*The original parties*) as borrowers and hedging guarantors (the **Borrowers**);
- (2) **CADELER A/S** (the **Parent**) details of which are specified in Schedule 1 (*The original parties*);
- (3) **DNB BANK ASA, BANCO SANTANDER, S.A., COÖPERATIEVE RABOBANK U.A., CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, CRÉDIT INDUSTRIEL ET COMMERCIAL SINGAPORE BRANCH, THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH, KFW IPEX-BANK GMBH, OVERSEA-CHINESE BANKING CORPORATION LIMITED, SOCIETE GENERALE, SPAREBANK 1 SR-BANK ASA, STANDARD CHARTERED BANK (SINGAPORE) LIMITED** as mandated lead arrangers (whether acting individually or together the **Arrangers**);
- (4) **DNB BANK ASA** as bookrunner and co-ordinator (the **Bookrunner**);
- (5) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The original parties*) as lenders (the **Original Lenders**);
- (6) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The original parties*) as hedging providers (the **Original Hedging Providers**);
- (7) **DNB BANK ASA** as agent of the other Finance Parties (other than the Security Agent) (the **Agent**);
- (8) **DNB BANK ASA** as Sinosure agent of the Lenders (the **Sinosure Agent**);
and
- (9) **DNB BANK ASA** as security agent and trustee for the other Finance Parties (the **Security Agent**).

IT IS AGREED as follows:

Section 1 - Interpretation

1 Definitions and interpretation

1.1 Definitions

In this Agreement and (unless otherwise defined in the relevant Finance Document) the other Finance Documents:

Acceptable Bank means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of “A-” or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or “Baa1” or higher by Moody’s Investor Services Limited or a comparable rating from another internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Majority Lenders and Sinosure,

and which is approved by the Borrowers.

Accession Deed means a document substantially in the form set out in Schedule 8 (*Form of Accession Deed*).

Account means any bank account, deposit or certificate of deposit opened, made or established in accordance with clause 30(*Bank accounts*).

Account Bank means, in relation to any Account, the bank or financial institution specified as such in Schedule 1 (*The original parties*), any Lender, or another bank or financial institution approved by the Majority Lenders and Sinasure at the request of the Borrowers.

Account Holder(s) means, in relation to any Account, each Obligor in whose name that Account is held.

Account Security means, in relation to an Account, a deed or other instrument executed by the relevant Account Holder(s) in favour of the Security Agent or any other Finance Party in an agreed form conferring a Security Interest over that Account.

Accounting Reference Date means 31 December or such other date as may be approved by the Majority Lenders.

Active Facility means, at any relevant time, such part of the Total Commitments (whether drawn or undrawn) as is then available for borrowing under this Agreement at such time in accordance with clause 4 (*Conditions of Utilisation*) to the extent that such part of the Total Commitments is not cancelled or reduced under this Agreement.

Additional Guarantor means a legal entity which becomes or is to become a guarantor under this Agreement (on a joint and several basis with the Parent and any other Guarantor) in accordance with, and defined as such in, clause 36.5 (*Additional Guarantors*) and **Additional Guarantors** means any or all of them.

Advance A means a borrowing of a part of the Total Commitments by the Borrowers up to the Ship Commitment in respect of Ship A, which is to be made available in relation to Ship A, or (as the context may require) the outstanding principal amount of such borrowing.

Advance B means a borrowing of a part of the Total Commitments by the Borrowers up to the Ship Commitment in respect of Ship B, which is to be made available in relation to Ship B, or (as the context may require) the outstanding principal amount of such borrowing.

Advances means Advance A and Advance B, and:

- (a) in relation to Ship A, it means Advance A;
and
- (b) in relation to Ship B, it means Advance B,

and **Advance** means any of them.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Agent includes any person who may be appointed as such under the Finance Documents and includes any separate trustee or co-trustee appointed under clause 38.8(*Additional trustees*).

Ancillary Commencement Date means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Ancillary Facility Availability Period.

Ancillary Commitment means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum amounts in euro (or the equivalent in euro of any other currency) which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility in accordance with the terms of clause 6 (*Ancillary Facilities*), to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

Ancillary Document means each document relating to or evidencing the terms of an Ancillary Facility.

Ancillary Facility means any ancillary facility made available by an Ancillary Lender in accordance with clause 6 (*Ancillary Facilities*) and **Ancillary Facilities** means any or all of them.

Ancillary Facility Availability Period means, in relation to an Ancillary Facility, the period starting on the first Utilisation Date and ending on the earlier of (a) the latest Final Repayment Date under this Agreement and (b) the date specified as such in the relevant Ancillary Facility.

Ancillary Lender means each Lender which makes available an Ancillary Facility in accordance with clause 6 (*Ancillary Facilities*) and **Ancillary Lenders** means any or all of them.

Ancillary Outstandings means, at any time, in relation to an Ancillary Lender and an Ancillary Facility then in force the aggregate of the equivalents (as calculated by that Ancillary Lender) in euro of the face amount of each guarantee, bond and letter of credit under that Ancillary Facility, as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

Annex VI means Annex VI of the Protocol of 1997 (as subsequently amended from time to time) to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto.

Approved Flag State means Denmark, Norway, the Republic of Cyprus, the Republic of Panama, the United Kingdom or any other flag state approved by the Majority Lenders.

Approved Shareholder means any legal entity (other than a Borrower or the Parent) which:

- (a) is a wholly-owned direct or indirect Subsidiary of the Parent;
and
- (b) is incorporated, registered or formed under the laws of a jurisdiction in all respects acceptable to all the Lenders and Sinosure.

Article 55 BRRD means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

Auditors means EY Godkendt Revisionspartnerselskab or any other “Big Four” accounting firm appointed by the Parent to act as its or their statutory auditors.

Authorisation means any authorisation, consent, concession, approval, resolution, licence, exemption, filing, notarisation or registration.

Available Commitment means a Lender's Commitment minus the amount of its participation in the Loan.

Available Facility means the aggregate for the time being of all the Lenders' Available Commitments.

Backstop Date means, in relation to a Ship, the date identified as such in Schedule 2 (*Ship information*) or such other later date approved by all the Lenders and Sinosure resulting from any delay in the Scheduled Delivery Date as a result of permissible delays under the relevant Building Contract.

Bail-In Action means the exercise of any Write-down and Conversion Powers.

Bail-In Legislation means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation;
and

- (c) in relation to any other state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

Bareboat Charter means, in relation to each Ship, a bareboat charter for that Ship between the relevant Owner as owner and a Bareboat Charterer as charterer in the agreed form (and includes an Initial Bareboat Charter and a JV Bareboat Charter) and **Bareboat Charters** means any or all of them.

Bareboat Charterer means the Parent or any other Group Member which becomes a bareboat charterer under a Bareboat Charter of a Ship pursuant to the terms of clause 25.8 (*Chartering*).

Basel Accords means the Basel II Accord, Basel III Accord and Reformed Basel III.

Basel Regulation means either a Basel II Regulation or a Basel III Regulation.

Basel II Accord means the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 as updated prior to, and in the form existing on, the date of this Agreement, excluding any amendment thereto arising out of the Basel III Accord or Reformed Basel III.

Basel II Approach means, in relation to any Finance Party, either the Standardised Approach or the relevant Internal Ratings Based Approach (each as defined in the Basel II Regulations applicable to such Finance Party) adopted by that Finance Party (or any of its Affiliates) for the purposes of implementing or complying with the Basel Accords.

Basel II Regulation means:

- (a) any law or regulation in force as at the date hereof implementing the Basel II Accord, (including the relevant provisions of CRR) to the extent only that such law or regulation re-enacts and/or implements the requirements of the Basel II Accord but excluding any provision of such law or regulation implementing the Basel III Accord or Reformed Basel III; and
- (b) any Basel II Approach adopted by a Finance Party or any of its Affiliates.

Basel III Accord means, together:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III" including Reformed Basel III.

Basel III Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with any Basel III Regulation (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates) and includes a CRR Increased Cost.

Basel III Regulation means any law or regulation implementing the Basel III Accord (including the relevant provisions of CRR) save to the extent that such law or regulation re-enacts a Basel II Regulation.

Break Costs means the amount (if any) by which:

- (a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in an Advance or relevant part of it or Unpaid Sum to the last day of the current Interest Period in respect of that Advance or relevant part of it or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the relevant principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of that Interest Period.

Builder means, in relation to a Ship, the person specified as such in Schedule 2 (*Ship information*).

Building Contract means, in relation to a Ship, the shipbuilding contract specified in Schedule 2 (*Ship information*) between its Builder and the relevant Owner relating to the construction of such Ship.

Building Contract Documents means in relation to a Ship, the Building Contract for that Ship and any guarantee or security given by any person to the relevant Owner for the Builder's obligations under the relevant Building Contract.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in Beijing, London, Madrid, Paris, Oslo and Singapore, and (in relation to any date for payment or purchase of euro) any TARGET Day.

BW Group means BW Altor Pte. Ltd. of the Republic of Singapore and its Subsidiaries from time to time

Change of Control occurs if, at any time and without the prior written approval of all the Lenders and Sinosure:

- (a) any Borrower ceases to be a wholly-owned direct Subsidiary of the Parent, unless (subject to the proviso at the end of this definition) that Borrower has become a wholly-owned direct Subsidiary of an Approved Shareholder; or
- (b) any Borrower that (subject to the proviso at the end of this definition) has become a wholly-owned direct Subsidiary of an Approved Shareholder ceases to be a wholly-owned direct Subsidiary of that Approved Shareholder unless (subject to the proviso at the end of this definition) that Borrower has become a wholly-owned direct Subsidiary of the Parent or another Approved Shareholder; or
- (c) any Approved Shareholder that (subject to the proviso at the end of this definition) owns shares in a Borrower ceases to be a wholly-owned direct or indirect Subsidiary of the Parent; or
- (d) the Parent ceases to have the right or ability to control the affairs, or the composition of the majority of the board of directors, of any Borrower and/or any Bareboat Charterer, and/or any Approved Shareholder that (subject to the proviso at the end of this definition) owns shares in a Borrower; or

- (e) any Bareboat Charterer ceases to be the Parent or a direct or indirect (and wholly-owned, unless it is a Bareboat Charterer under a JV Bareboat Charter) Subsidiary of the Parent; or
- (f) any person or group of persons acting in concert (other than Swire Pacific or the BW Group) hold legally and beneficially more than 25% of each of (i) the issued and outstanding share capital and/or (ii) the issued and outstanding voting share capital, of the Parent,

Provided however that it shall not constitute a Change of Control under paragraph (a) or (b) above if all (but not part of) the shares in a Borrower are transferred from the Parent to an Approved Shareholder, or from an Approved Shareholder to another Approved Shareholder, provided that at the time of such transfer:

- (i) such Approved Shareholder has delivered to all Finance Parties and Sinasure any “know your customer” and other similar documents as required by any of them and the relevant Finance Parties and Sinasure are satisfied with the same and their relevant internal checks; and
- (ii) such Approved Shareholder becomes an Additional Guarantor pursuant to the terms of clause 36.5 (*Additional Guarantors*) and grants a Security Interest over the shares of the relevant Borrower on terms materially similar to the relevant Share Security and in agreed form (which shall constitute Finance Documents), together with any documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in respect of such Security Interest and the Approved Shareholder; and
- (iii) the Parties have entered into such other amendments and documents (including any amendment to this Agreement) as the Agent (acting reasonably) may require in respect of the above matters (at the cost and expense of the Borrowers); and
- (iv) the entry by such Approved Shareholder into any of the above documents does not otherwise constitute a Default nor would otherwise cause or result in an Event of Default (and the Parent has confirmed the same in writing to the Agent).

Charged Property means all of the assets of the Obligor which from time to time are, or are expressed or intended to be, the subject of the Transaction Security.

Charter means, in relation to a Ship, any charter commitment in relation to that Ship (other than a Bareboat Charter), which is entered into during the Facility Period between (a) either the Owner or the Bareboat Charterer as disponent owner; and (b) any person (other than a Bareboat Charterer or any Group Member or any Affiliate of any of them) as charterer or counterparty of such Owner or (as applicable) such Bareboat Charterer thereunder, and which is capable of lasting in excess of 12 months (without taking into account any options to extend or renew contained therein), and it includes an Initial Charter, and **Charters** means all of them.

Charter Documents means, in relation to a Ship and a Charter of that Ship, that Charter, any documents supplementing it and any Charter Guarantee.

Charter Guarantee means, in relation to a Ship and a Charter of that Ship, any guarantee or security given by any person for the relevant Charterer’s obligations under it.

Charter Guarantor means, in relation to a Ship and a Charter of that Ship, the guarantor or counterparty of the relevant Owner or Bareboat Charterer under the Charter Guarantee for that Charter.

Charterer means, in relation to a Ship and a Charter of that Ship, the charterer or counterparty of the relevant Owner or Bareboat Charterer under that Charter (and it includes the Initial Charterers).

Classification means, in relation to a Ship, an appropriate classification available to vessels of this type (being on the date of this Agreement the classification specified in respect of such Ship in Schedule 2 (*Ship information*)) with the relevant Classification Society selected by the Owner.

Classification Society means, in relation to a Ship, the classification society specified in respect of such Ship in Schedule 2 (*Ship information*), Lloyd's Register, American Bureau of Shipping or Bureau Veritas or another classification society (being a member of the International Association of Classification Societies (**IACS**) or, if such association no longer exists, any similar association nominated by the Agent) approved by the Majority Lenders as its Classification Society, at the request of the relevant Owner.

Code means the US Internal Revenue Code of 1986.

Commitment means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Schedule 1 (*The original parties*) and the amount of any other Commitment assigned to it under this Agreement; and
- (b) in relation to any Lender, the amount of any Commitment assigned to it under this Agreement,

to the extent not cancelled, reduced or assigned by it under this Agreement.

Compliance Certificate means a certificate substantially in the form set out in Schedule 10 (*Form of Compliance Certificate*) or otherwise approved.

Confirmation shall have, in relation to any Hedging Transaction, the meaning given to that term in the relevant Hedging Master Agreement.

Confidential Information means all information relating to an Obligor, the Group, the Transaction Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any Group Member or any of its advisers;
or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any Group Member or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
 - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of clause 52 (*Confidential Information*); or
 - (B) is identified in writing at the time of delivery as non-confidential by any Group Member or any of its advisers;
or
 - (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

- (ii) any Funding Rate or Reference Bank Quotation.

Constitutional Documents means, in respect of an Obligor, such Obligor's memorandum and articles of association, by-laws or other constitutional documents including as referred to in any certificate relating to an Obligor delivered pursuant to Schedule 3 (*Conditions precedent*).

Contract Price means, in relation to a Ship, the purchase price of such Ship payable under the Building Contract for such Ship as such purchase price may be varied from time to time pursuant to the terms of the Building Contract for such Ship (including by variation orders for equipment and/or by any liquidated damages unless such liquidated damages relate to delays in the delivery of the relevant Ship).

CRR means either CRR-EU or, as the context may require, CRR-UK.

CRR-EU means regulation 575/2013 of the European Union on prudential requirements for credit institutions and investment firms and regulation 2019/876 of the European Union amending Regulation (EU) No 575/2013 and all delegated and implementing regulations supplementing that Regulation.

CRR Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with the CRR (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

CRR-UK means CRR-EU as amended and transposed into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

Debt Purchase Transaction means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of;
or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

Debt Service Reserve Account means any account with an Account Bank which is defined as such in any Account Security or which is designated as a **'Debt Service Reserve Account'** under clause 30 (*Bank accounts*).

Declassification Date means the date on which the Agent (acting on the instructions of the Majority Lenders) and Sinasure exercise their right to declassify the Loan as a "green loan" in accordance with paragraph (a) of clause 23.16 (*Declassification Event*).

Declassification Event means:

- (a) if the Agent receives a Declassification Request from the Borrowers;
- (b) the Borrowers cease to be in compliance with the Green Asset Criteria;
or
- (c) failure by the Borrowers to comply with the requirements of clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*), unless the failure to comply is capable of remedy and it is remedied within 10 Business Days of the earlier of (i) the Agent giving notice to the Borrowers and (ii) the Borrowers becoming aware of the failure to comply.

Declassification Request means a notice signed by the Borrowers requesting that the Loan is no longer to be classified as a "green loan" for the purposes of the "Green Loan Provisions". Such notice shall:

- (a) be signed by a director of each Borrower;
- (b) state the proposed Declassification Date; and
- (c) set out in reasonable detail the green loan related information demonstrating why the Loan should no longer be a “green loan”.

Deed of Covenant means, in relation to a Ship in respect of which the Mortgage is in account current form and where it is customary to grant a deed of covenant, a first deed of covenant in respect of such Ship by the relevant Owner in favour of the Security Agent in the agreed form.

Default means an Event of Default or any event or circumstance specified in clause 33(*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

Defaulting Lender means any Lender:

- (a) which has failed to make its participation in an Advance available (or has notified the Agent or the Borrowers (which has notified the Agent) that it will not make its participation in an Advance available) by the Utilisation Date of that Advance in accordance with clause 5.4 (*Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and,payment is made within three Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

Delegate means any delegate, agent, attorney, additional trustee or co-trustee appointed by the Security Agent.

Delivery means, in relation to a Ship, the delivery of the Ship by the Builder and acceptance of the Ship by the relevant Owner under the relevant Building Contract.

Delivery Date means, in relation to a Ship, the date on which its Delivery occurs.

Disposal Repayment Date means in relation to:

- (a) a Total Loss of a Mortgaged Ship, the applicable Total Loss Repayment Date; or
- (b) a sale of a Mortgaged Ship by the relevant Owner, the date upon which such sale is completed by the transfer of title to the purchaser in exchange for payment of all or part of the relevant purchase price (and upon or immediately prior to such completion).

Disruption Event means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents;
or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

Earnings means, in relation to a Ship and a person, all money at any time payable to that person for or in relation to the use or operation of such Ship including freight, hire and passage moneys, money payable to that person for the provision of services by or from such Ship or under any charter commitment, requisition for hire compensation, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach and payments for termination or variation of any charter commitment and contributions of any nature whatsoever in respect of general average (including all moneys payable to the Owner and/or a Bareboat Charterer of such Ship under any Charter, Charter Guarantee or Bareboat Charter in respect of such Ship, respectively).

Earnings Account means any account with an Account Bank which is defined as such in any Account Security or which is designated as an **"Earnings Account"** under clause 30 (*Bank accounts*).

EBITDA has the meaning given to clause 22.2 (*Financial definitions*).

EEA Member Country means any member state of the European Union, Iceland, Liechtenstein and Norway.

Eligible Institution means any Lender or other bank, financial institution, trust, fund or other entity selected by the Borrowers and which, in each case, is not a Group Member.

Environmental Claims means:

- (a) enforcement, clean-up, removal or other governmental or regulatory action or orders or claims instituted or made pursuant to any Environmental Laws or resulting from a Spill; or
- (b) any claim made by any other person relating to a Spill.

Environmental Incident means any Spill from any vessel in circumstances where:

- (a) any Fleet Vessel or its owner, operator or manager may be liable for Environmental Claims arising from the Spill (other than Environmental Claims arising and fully satisfied before the date of this Agreement); and/or
- (b) any Fleet Vessel may be arrested or attached in connection with any such Environmental Claim.

Environmental Laws means all laws, regulations and conventions concerning pollution or protection of human health or the environment.

EU Bail-In Legislation Schedule means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

EU Ship Recycling Regulation means Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (Text with EEA relevance).

EURIBOR means, in relation to an Advance or any part of it and any Unpaid Sum:

- (a) the applicable Screen Rate as of 11:00 a.m. (Brussels time) on the relevant Quotation Day for a period equal in length to the Interest Period of that Advance or relevant part of it or Unpaid Sum; or
- (b) as otherwise determined pursuant to clause 12.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, EURIBOR shall be deemed to be zero.

Event of Default means any event or circumstance specified as such in clause 33 (*Events of Default*).

External Reviewer means S&P Global or any replacement external reviewer being a member firm of Deloitte, Ernst & Young Global Limited, KPMG International Limited, PricewaterhouseCoopers International Limited or DNV or any other person approved by the Majority Lenders as may be appointed from time to time by the Parent, provided that any such replacement is:

- (a) an independent professional services firm, environmental consultancy firm or ratings agency which is regularly engaged in the application and monitoring of ESG standards and ESG calculation methodologies; and
- (b) not an Affiliate of an Obligor.

Facility means the term loan facility made available by the Lenders under this Agreement as described in clause 2 (*The Facility*).

Facility Office means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for Tax purposes.

Facility Period means the period from and including the date of this Agreement to and including the date on which the Total Commitments have reduced to zero and all indebtedness of the Obligors under the Finance Documents has been irrevocably and unconditionally and discharged in full.

FATCA means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction.

Fee Letters means any letters entered into between (a) any Finance Parties and (b) any Obligors by reference to this Agreement in relation to any fees payable to any Finance Parties and Fee Letter means any one of them.

Final Repayment Date means, subject to clause 45.7 (*Business Days*), in relation to an Advance, the date falling 144 Months after the Utilisation Date for that Advance.

Finance Documents means this Agreement, any Accession Deed, any Ancillary Document, any Compliance Certificate, any Green Loan Compliance Certificate, any Fee Letter, any Utilisation Request, any Quiet Enjoyment Agreement in relation to any Ship, the Security Documents, any Transfer Certificate, any Hedging Contracts, any Hedging Master Agreement and any other document designated as such by the Agent and the Borrowers and shall, for the avoidance of doubt, exclude each Sinosure Insurance Policy.

Finance Party means the Agent, the Security Agent, any Arranger, the Bookrunner, the Sinosure Agent, any Hedging Provider, a Lender or any Ancillary Lender.

Financial Indebtedness means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under GAAP);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the latest Final Repayment Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

Financial Year means the annual accounting period of the Group ending on or about the Accounting Reference Date in each year.

First Repayment Date means, in relation to an Advance and subject to clause 45.7 (*Business Days*), the date falling three Months after the Utilisation Date in respect of such Advance.

Flag State means, in relation to a Ship (i) any Approved Flag State in which a Ship is or is to be registered on the Delivery Date, (ii) any other Approved Flag State in which a Ship is or is to be registered at the request of the relevant Owner, subject to the provisions of paragraph (b) of clause 25.2 (*Ship's name and registration*) or (iii) such other state or territory as may be approved by the Majority Lenders and Sinore at the request of the relevant Owner (such approval or, where such state or territory is not approved by the Majority Lenders and Sinore, such rejection, not to be unreasonably delayed), subject to the provisions of paragraph (b) of clause 25.2 (*Ship's name and registration*) as being the "**Flag State**" of such Ship for the purposes of the Finance Documents.

Fleet Vessel means each Mortgaged Ship and any other vessel owned, operated, managed or crewed by any Group Member.

Funding Rate means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of clause 12.4 (*Cost of funds*).

GAAP means generally accepted accounting principles in Denmark including (without limitation) international account standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

General Assignment means in relation to a Ship and each Owner and each Bareboat Charterer of such Ship, a first assignment of its interest in the Ship's Insurances, Earnings (including Earnings under any Charter and any Charter Guarantee for the Ship, if and to the extent it would not constitute a breach of the relevant Charter or Charter Guarantee (as applicable) for the Ship), Requisition Compensation and, in the case of the Owners only, any Bareboat Charter for such Ship, one such assignment executed by the relevant Owner and each Bareboat Charterer of such Ship in favour of the Security Agent or any other Finance Party in the agreed form.

GLP or the **Green Loan Principles** means the Green Loan Principles together with the "Guidance on Green Loan Principles", published on 23 February 2023 by the Loan Market Association (**LMA**), the Loan Syndications and Trading Association (**LSTA**) and the Asia Pacific Loan Market Association (**APLMA**) and the accompanying guidance in force as at the date of this Agreement, as may be updated from time to time.

Green Asset Criteria means, at any relevant time:

- (a) the proceeds of the Loan are used for the purpose of financing Green Assets;
- (b) not more than 5% of the aggregate combined annual turnover of the Borrowers attributable to the Green Assets (as shown in the then most recent audited annual financial statements of the Borrowers delivered pursuant to clause 21.3 (*Financial statements*)) is derived from non-offshore renewable energy activities; and
- (c) the aggregate market value of the Green Assets (as most recently determined by valuations obtained in accordance with clause 28 (*Minimum Security Value*)) is equal to or exceeds the outstanding amount of the Green Loan,

save that paragraphs (b) and (c) shall not apply for the purposes of a Pre-Utilisation Green Loan Compliance Certificate provided pursuant to clause 10.2(b) (*Green Loan Margin Adjustment*).

Green Assets means the Ships for as long as they both qualify as "green project categories" as defined in the Green Finance Framework.

Green Finance Framework means the green finance framework dated December 2023 and prepared by the Parent on sustainability reporting.

Green Finance Second Party Opinion means the green finance second party opinion dated 1 December 2023 and issued by the External Reviewer as the same may be updated or amended from time to time to confirm, inter alia, the alignment of the Green Finance Framework with the GLP.

Green Loan means the outstanding amount of the Loan until a Declassification Event occurs and is continuing.

Green Loan Compliance Certificate means a certificate substantially in the form set out in Schedule 11 (*Form of Green Loan Compliance Certificate*) delivered pursuant to clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*) (and it also includes a Pre-Utilisation Green Loan Compliance Certificate).

Green Loan Compliance Certificate Inaccuracy has the meaning given to it in clause 21.17 (*Green Loan Compliance Certificate Inaccuracy*).

Green Loan Information means all information which has been:

- (a) provided by or on behalf of a Group Member to a Finance Party;
or
- (b) approved by any Group Member,

solely in connection with, and to the extent it relates to, any Green Loan Compliance Certificate or any Green Loan Report,

Green Loan Provisions means each of paragraph (g) of clause 20.8 (*No misleading information*), clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*) to clause 21.18 (*Green Loan Information*) (inclusive), clause 23.16 (*Declassification Event*) and clause 23.17 (*Green Loan publicity*).

Green Loan Report has the meaning given to that term in clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*).

Group means the Parent and its Subsidiaries for the time being and, for the purposes of clause 21.3 (*Financial statements*) and clause 22 (*Financial covenants*), any other entity required to be treated as a subsidiary in its consolidated accounts in accordance with GAAP and/or any applicable law.

Group Member means any Obligor and any other entity which is part of the Group.

Guarantee means the obligations of the Guarantors under clause 19 (*Guarantee and indemnity*).

Guarantor means the Parent or an Additional Guarantor which has become a guarantor under this Agreement pursuant to clause 36.5 (*Additional Guarantors*) and **Guarantors** means any or all of them.

Hedging Contract means any Hedging Transaction between one or more of the Borrowers and any Hedging Provider pursuant to any Hedging Master Agreement and includes any Hedging Master Agreement and any Confirmations from time to time exchanged under it and governed by its terms relating to that Hedging Transaction and any contract in relation to such a Hedging Transaction constituted and/or evidenced by them and **Hedging Contracts** means together all or any of them.

Hedging Contract Security means a deed or other instrument by the Borrowers in favour of the Security Agent in the agreed form conferring a Security Interest over any Hedging Contracts.

Hedging Exposure means, as at any relevant date and in relation to any Hedging Provider, the aggregate of the amount certified by that Hedging Provider to the Agent to be the net amount in euro;

- (a) in relation to all Hedging Contracts with that Hedging Provider that have been closed out on or prior to the relevant date, that is due and owing by the Borrowers or any of them to that Hedging Provider in respect of such Hedging Contracts on the relevant date; and
- (b) in relation to all Hedging Contracts with that Hedging Provider that are continuing on the relevant date, that would be payable by the Borrowers or any of them to that Hedging Provider under (and calculated in accordance with) the early termination provisions of such Hedging Contracts as if an Early Termination Date (under and as defined in the relevant Hedging Master Agreement) had occurred on the relevant date in relation to all such continuing Hedging Contracts.

Hedging Guarantor means, in relation to a Hedging Master Agreement to which a Borrower is a party, the other Borrower, and **Hedging Guarantors** means together all of them.

Hedging Master Agreement means each agreement made or (as the context may require) to be made between a Borrower and a Hedging Provider comprising an ISDA Master Agreement and the Schedule thereto in the agreed form and **Hedging Master Agreements** means together all or any of them.

Hedging Provider means:

- (a) any Original Hedging Provider;
and
- (b) any entity which has become a Party as a Hedging Provider in accordance with clause 35.13(*Accession of Hedging Providers*)

and **Hedging Providers** means any or all of them.

Hedging Transaction has, in relation to any Hedging Master Agreement, the meaning given to the term "Transaction" in that Hedging Master Agreement and **Hedging Transactions** means any or all of them.

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

Impaired Agent means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of Defaulting Lender; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event;and

payment is made within 3 Business Days of its due date; or

- (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question

Increased Costs has the meaning given to that term in clause 15.1 (*Increased costs*).

Indemnified Person means:

- (a) each Finance Party, Sinore, each Receiver, any Delegate and any attorney, agent or other person appointed by them under the Finance Documents;
- (b) each Affiliate of those persons; and
- (c) any officers, directors, employees, advisers, representatives or agents of any of the above persons.

Initial Bareboat Charter means, in relation to each Ship, the Bareboat Charter for that Ship the details of which are provided in Schedule 2 *(Ship information)* under the relevant Ship and **Initial Bareboat Charters** means all of them.

Initial Charter means, in relation to each Ship, each of the charter commitments for that Ship, details of which are provided in Schedule 2 *(Ship information)* under the relevant Ship and **Initial Charters** means all of them.

Initial Charterer means, in relation to each Ship and each of its respective Initial Charters, the charterer under such Initial Charter, whose details are set out in Schedule 2 *(Ship information)* under the relevant Ship.

Insolvency Event in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy

or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other enforcement action or legal process levied, enforced, taken or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Insurance Notice means, in relation to a Ship, a notice of assignment of Insurances in the form scheduled to any of the Ship's General Assignments or in another approved form.

Insurances means, in relation to a Ship:

- (a) all policies and contracts of insurance;
and
- (b) all entries in a protection and indemnity or war risks or other mutual insurance association,

in the name of such Ship's Owner or the joint names of its Owner and any other person in respect of or in connection with such Ship and includes all benefits thereof (including the right to receive claims and to return of premiums), but it excludes loss of hire or Earnings insurances.

Interbank Market means the European interbank market.

Interest Period means, in relation to an Advance, each period determined in accordance with clause 11(*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 10.4 (*Default interest*).

Interpolated Screen Rate means, in relation to EURIBOR for an Interest Period with respect to any Advance or any part of it or any Unpaid Sum, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period;
and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period,

each as of 11:00 a.m. (Brussels time) on the relevant Quotation Day.

Inventory of Hazardous Material means, in relation to a Ship, a statement of compliance issued by the relevant Classification Society and which includes a list of any and all materials known to be potentially hazardous utilised in the construction of the Ship and which also may be referred to as a List of Hazardous Material.

JV Bareboat Charter means, in relation to each Ship, a bareboat charter for that Ship entered into pursuant to the terms of, and defined as such in, clause 25.8(c)(*Chartering*).

Last Availability Date means, in relation to each Advance, the earlier of (a) the Utilisation Date of that Advance, (b) the Delivery Date for the relevant Ship and (c) the Backstop Date for such Ship (or such later date as may be approved by all the Lenders and Sinasure).

Legal Opinion means any legal opinion delivered to the Agent and the Security Agent under clause 4(*Conditions of Utilisation*).

Legal Reservations means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Act 1980 and the Foreign Limitation Periods Act 1984;
- (c) the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (d) similar principles, rights and defences under the laws of any Relevant Jurisdiction;
and
- (e) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

Lender means:

- (a) any of the Original Lenders;
and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with any provisions of this Agreement,

which in each case has not ceased to be a Party as Lender in accordance with the terms of this Agreement, and **Lenders** means all of them.

Loan means the loan made or to be made under the Facility or the principal amount outstanding of that loan (and it comprises the Advances).

Loss Payable Clauses means, in relation to a Ship, the provisions concerning payment of claims under the Ship's Insurances in the form scheduled to any of the Ship's General Assignments or in another approved form.

Losses means any costs, expenses (including, but not limited to, legal fees), payments, charges, losses, demands, liabilities, taxes (including VAT), claims, actions, proceedings, penalties, fines, damages, judgments, orders or other sanctions.

Major Casualty means any casualty to a vessel for which the total insurance claim, inclusive of any deductible, exceeds or may exceed the Major Casualty Amount.

Major Casualty Amount means, in relation to a Ship, the amount specified as such against the name of that Ship in Schedule 2 *Ship information*) for such Ship or the equivalent in any other currency.

Majority Lenders means a Lender or Lenders whose Commitments aggregate more than 66 2/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3% of the Total Commitments immediately prior to the reduction).

Management Agreement means, in relation to a Ship, the agreement between the relevant Owner or Bareboat Charterer (as applicable) of that Ship and a Manager relating to the appointment of that Manager in respect of such Ship.

Manager means, in relation to each Ship, the Bareboat Charterer of such Ship (including where a separate Management Agreement has been entered into between the relevant Owner and the relevant Bareboat Charterer) from time to time as technical manager and commercial manager of such Ship, or another manager appointed by an Owner or Bareboat Charterer (as applicable) of the relevant Ship as the technical and/or commercial manager of such Ship in accordance with clause 25.4 (*Manager*).

Manager's Undertaking means in relation to a Ship, an undertaking by any manager of the Ship (other than where such manager is also the Bareboat Charterer of such Ship and a Guarantor) to the Security Agent in the agreed form, including pursuant to clause 25.4 (*Manager*).

Mandatory Declassification Event means a Declassification Event under paragraphs (b) and/or (c) of the definition of Declassification Event.

Margin means:

- (a) (subject to paragraph (b) below) 1.60 per cent per annum;
or
- (b) such other rate per annum as may be determined to be the Margin from time to time in accordance with the adjustment provisions of clause 10.2 (*Green Loan Margin Adjustment*).

Material Adverse Effect means a material adverse effect on:

- (a) the operations, property or condition (financial or otherwise) of the Obligors taken as a whole;
or
- (b) the ability of an Obligor to perform its obligations under any of the Finance Documents;
or
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of any Security Interest granted or purporting to be granted pursuant to any of, the Finance Documents or any of the rights or remedies of any Finance Party under any of the Finance Documents.

Measurement Period has the meaning given to that term in clause 22.2 (*Financial definitions*).

Minimum Bareboat Charter Hire means, in relation to a Ship, its Owner, and a Bareboat Charter relevant to it, an amount which, for the entire tenor of that Bareboat Charter is, in the reasonable opinion of all the Lenders, sufficient:

- (a) to allow the Borrowers to pay when they fall due under the Finance Documents all amounts of principal in respect of the Advance relevant to such Ship, interest thereon, all amounts payable under all Hedging Contracts relating to such Advance, any other amounts relating to such Advance and to pay and/or prepay, or otherwise meet all their obligations when they fall due under, the Ancillary Outstandings (multiplied by the Relevant Proportion for such Ship); and
- (b) to allow the Owner of such Ship to pay when they fall due any and all costs and expenses (including operating costs and expenses) of the Ship which are for the account of that Owner under the terms of the Bareboat Charter, including any and all maintenance, management, drydocking, insurance, general and administrative costs, expenses, indemnities and any and all other costs, expenses and Taxes of the Owner in connection with its own and the Ship's administration, operation, corporate existence, ownership of assets and taxation (as applicable); and
- (c) to allow for an additional amount of 10% of all the above sums under paragraphs (a) and (b) at any given time as contingency for additional payments which the Borrowers may have to make,

in each case, as any such amounts may fall due during the entire tenor of that Bareboat Charter or are otherwise connected with that Bareboat Charter and provided that the charter hire under a Bareboat Charter shall not at any time exceed the maximum amount permitted by transfer pricing regulations applicable to the relevant Bareboat Charterer and/or Owner.

Minimum Value means, at any time, the amount in euro which is at that time 140 per cent of the amount which is the sum of:

- (a) the Loan;
minus
- (b) any amount then credited to any Debt Service Reserve Account;
minus
- (c) the value of any additional security then held by the Security Agent or any other Finance Party provided pursuant to clause 28.13 (*Security shortfall*) in the form of cash deposit in euros (but always subject to clause 28.14 (*Creation of additional security*));
minus
- (d) in relation to any Mortgaged Ship which has become a Total Loss but whose Disposal Repayment Date has not then occurred, such part of the Loan as will be required to be prepaid upon such Disposal Repayment Date under clause 8.8 (*Sale or Total Loss*).

Month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in the calendar month in which that period is to end (if there is one) or on the immediately preceding Business Day (if there is not);
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month;
and

- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

Mortgage means, in relation to a Ship, a first priority or (as the case may be) first preferred mortgage of the Ship in the agreed form by the relevant Owner in favour of the Security Agent or any other Finance Party.

Mortgage Period means, in relation to a Mortgaged Ship, the period from the date the Mortgage over that Ship is executed and registered until the date such Mortgage is released and discharged or, if earlier, its Total Loss Date.

Mortgaged Ship means, at any relevant time, any Ship which has been delivered to the relevant Owner under the relevant Building Contract and is subject to a Mortgage and/or whose Earnings, Insurances and Requisition Compensation are subject to a Security Interest under the Finance Documents.

New Lender has the meaning given to that term in clause 35(*Changes to the Lenders*).

Notifiable Debt Purchase Transaction has the meaning given to that term in clause 36.3 (*Disenfranchisement of Debt Purchase Transactions entered into by Parent Affiliates*).

Obligors means the Borrowers, the Guarantors and any Manager (with the exception of any Manager who is not a Group Member) and includes the Hedging Guarantors, and **Obligor** means any one of them.

Obligors' Agent means the Parent.

Original Financial Statements means the audited consolidated financial statements of the Parent for its Financial Year ended 31 December 2022 and unaudited consolidated financial statements of the Parent for the financial half year ended 30 June 2023.

Original Jurisdiction means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement or, in the case of an Additional Guarantor, as at the date on which that Additional Guarantor becomes Party.

Original Obligors means the Borrowers and the Parent and **Original Obligor** means any of them.

Original Schedule of Repayment Amounts means Schedule 7 (*Original Schedule of Repayment Amounts*) to this Agreement.

Original Security Documents means:

- (a) the Mortgages over each of the Ships;
- (b) the Deeds of Covenant in relation to each of the Ships in respect of which the Mortgage is in account current form and where it is customary to grant a deed of covenant;
- (c) the General Assignments in relation to each of the Ships, one by each Owner and each Bareboat Charterer of each Ship;
- (d) the Share Security in relation to each Borrower;
- (e) the Account Security in relation to each Account;
- (f) the Hedging Contract Security;

(g) any Subordination Deed;
and

(h) any Manager's
Undertaking.

Owner means, in relation to a Ship, the person specified against the name of that Ship in Schedule 2 (*Ship information*).

Parent means the company described as such in Schedule 1 (*The original parties*).

Parent Affiliate means the Parent, each of its Affiliates, any trust of which the Parent or any of its Affiliates is a trustee, any partnership of which the Parent or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, the Parent or any of its Affiliates.

Participating Member State means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Party means a party to this Agreement.

Permitted Distribution means a dividend or other distribution (in cash or in kind) made by the Parent in respect of a prior Financial Year provided that the Parent confirms to the Finance Parties by submitting a written certificate signed by its Chief Financial Officer or its Chief Executive Officer, that:

- (a) the dividend or other distribution constitutes no more than 50% of the Parent's consolidated net profit for such prior Financial Year, as the same is shown in the then latest Annual Financial Statements (as defined in clause 21 (*Information undertakings*)) for the Measurement Period corresponding to such Financial Year; and
- (b) the financial covenants under clause 22 (*Financial Covenants*) forecasted and calculated on a pro forma basis for the 12 month period starting on the date of the certificate will be complied with.

Permitted Maritime Liens means, in relation to any Mortgaged Ship:

- (a) unless a Default is continuing, any ship repairer's or outfitter's possessory lien in respect of the Ship for an amount not exceeding the Major Casualty Amount for such Ship;
- (b) any lien on the Ship for master's, officer's or crew's wages outstanding in the ordinary course of its trading;
- (c) any lien for master's disbursements incurred in the ordinary course of trading;
- (d) any lien on the Ship for salvage;
and
- (e) any liens arising on the Ship by operation of law in the ordinary course of trading provided they secure obligations not more than 30 days overdue.

Permitted Security Interests means, in relation to any Mortgaged Ship, any Security Interest over it which is:

- (a) granted by the Finance Documents;
or
- (b) a Permitted Maritime Lien;
or
- (c) approved by the Majority Lenders.

Pollutant means and includes crude oil and its products, any other polluting, toxic or hazardous substance and any other substance whose release into the environment is regulated or penalised by Environmental Laws.

Poseidon Principles means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published on 18 June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organization from time to time.

Pre-Utilisation Green Loan Compliance Certificate means a Green Loan Compliance Certificate to be provided pursuant to paragraph (b) of clause 10.2 (*Green Loan Margin Adjustment*) in such form similar to that of Schedule 11 (*Form of Green Loan Compliance Certificate*) (but adjusted to take into account only those of the Green Asset Criteria applicable to the Pre-Utilisation Green Loan Compliance Certificate) as is acceptable to the Agent (acting reasonably).

Quasi-Security has the meaning given to that term in clause 31.2 (*General negative pledge*).

Quiet Enjoyment Agreement means, in relation to a Ship, a letter by the Security Agent addressed to, and acknowledged by, a charterer of that Ship (other than a Bareboat Charterer) in the agreed form.

Quotation Day means, in relation to any period for which an interest rate is to be determined, two TARGET Days before the first day of that period unless market practice in the Interbank Market differs, in which case the Quotation Day shall be determined by the Agent in accordance with market practice in the Interbank Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

Receiver means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property appointed under any Security Document.

Reference Bank Quotation means any quotation supplied to the Agent by a Reference Bank under any Finance Document.

Reference Bank Rate means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks:

- (a) (other than where paragraph (b) below applies) as the rate at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in euro within the Participating Member States for the relevant period; or
- (b) if different, as the rate (if any and applied to the relevant Reference Bank and the relevant period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator.

Reference Banks means, in relation to EURIBOR, such entities as may be appointed by the Agent in consultation with the Borrowers.

Reformed Basel III means the agreements contained in "Basel III: Finalising post-crisis reforms" published by the Basel Committee on Banking Supervision in December 2017, as amended, supplemented or restated.

Registry means, in relation to each Ship, such registrar, commissioner or representative of the relevant Flag State who is duly authorised and empowered to register the relevant Ship, the relevant Owner's title to such Ship and the relevant Mortgage and (if applicable) the relevant Deed of Covenant under the laws of its Flag State.

Related Fund in relation to a fund (the **first fund**), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a

different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

Relevant Jurisdiction means, in relation to an Obligor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any Charged Property owned by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) any jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

Relevant Proportion means, in relation to a Ship, its Owner, the Ancillary Facilities and the Ancillary Outstandings, a fraction having 1 as its numerator and as its denominator the number which is equal to all Mortgaged Ships (including such Ship) plus, if the relevant Ship is not a Mortgaged Ship, also such Ship.

Repayment Date means, subject to clause 45.7 (*Business Days*) and in respect of an Advance:

- (a) the First Repayment Date for such Advance;
- (b) each of the dates falling at intervals of three Months thereafter up to but not including the Final Repayment Date for such Advance; and
- (c) the Final Repayment Date for such Advance.

Repeating Representations means each of the representations set out in clauses 20.2 (*Status*) to 20.7 (*Governing law and enforcement*), 20.8(b) and 20.8(e) (*No misleading information*), 20.9(a) to 20.9(c) (*Original Financial Statements*), 20.10 (*Pari passu ranking*), 20.11 (*Ranking and effectiveness of security*), 20.22 (*Anti-bribery, anti-corruption and anti-money laundering laws*) and 20.23 (*Security and Financial Indebtedness*).

Replacement Schedule of Repayment Amounts means any replacement Schedule of Repayment Amounts calculated by the Agent in accordance with clause 7 (*Repayment*).

Requisition Compensation means, in relation to a Ship, any compensation paid or payable by a government entity for the requisition for title, confiscation or compulsory acquisition of such Ship.

Resolution Authority means any body which has authority to exercise any Write-down and Conversion Powers.

Restricted Party means a person that is:

- (a) listed on any Sanctions List or targeted by Sanctions (whether designated by name or by reason of being included in a class of person); or
- (b) located in or incorporated under the laws of any Sanctioned Country;
- (c) directly or indirectly owned or controlled by, or acting on behalf, at the direction, or for the benefit, of a person referred to in paragraphs (a) and/or (to the extent relevant under Sanctions) (b) above; or
- (d) otherwise, or will become with the expiry of any period of time, subject to Sanctions.

Sanctioned Country means a country or territory whose government is the target of, or that is subject to, comprehensive, country-wide or territory-wide Sanctions (including, as at the date of

this Agreement, Cuba, Syria, Iran, North Korea and Crimea as well as the Donetsk, Luhansk, Zaporizhzhia and Kherson regions of Ukraine).

Sanctions means any applicable (to any Obligor, Group Member, each of their directors, officers and employees and/or Finance Party as the context provides) laws, regulations or orders concerning any trade, economic or financial sanctions or embargoes or other restrictive measures enacted or enforced by a Sanctions Authority.

Sanctions Advisory means the sanctions advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities issued May 14, 2020 by the US Department of the Treasury, Department of State and Coast Guard, as may be amended or supplemented, and any similar future advisory.

Sanctions Authority means the Norwegian State, the United Nations, the European Union, each of the present or future Member States of the European Union, the United Kingdom, the United States of America, the Monetary Authority of Singapore and the Hong Kong Monetary Authority, and the respective governmental institutions and agencies of the foregoing, including, but not limited to, His Majesty's Treasury (**HMT**), the Office of Foreign Assets Control of the US Department of Treasury (**OFAC**), the United States Department of State, and any of their respective legislative, executive, enforcement and/or regulatory authorities or bodies acting in connection with Sanctions and any governmental authority with jurisdiction over an Obligor.

Sanctions List means:

- (a) the lists of Sanctions designations and/or targets maintained by any Sanctions Authority;
- (b) any other Sanctions designation or target listed and/or adopted by a Sanctions Authority, in all cases, as amended, supplemented or replaced from time to time; and/or
- (c) any similar list maintained by, or any public announcement of Sanctions designation made by, any Sanctions Authority.

Scheduled Delivery Date means, in respect of a Ship, the date referred to in Schedule 2 (*Ship information*) under such Ship, being the estimated date for Delivery of the relevant Ship under the Building Contract for that Ship as at the date of this Agreement.

Schedule of Repayments Amounts means the Original Schedule of Repayment Amounts or, as the case may be, a Replacement Schedule of Repayment Amounts.

Screen Rate means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers and the Lenders.

Secured Obligations means all indebtedness and obligations at any time of any Obligor to any Finance Party (whether for its own account or as agent or trustee for itself and/or other Finance Parties) under, or related to, the Finance Documents and the Ancillary Documents.

Security Agent includes any person as may be appointed as such under the Finance Documents and includes any separate trustee or co-trustee appointment under clause 38.8(*Additional trustees*).

Security Documents means:

- (a) the Original Security Documents;

- (b) any other document (other than each Sinasure Insurance Policy) as may be executed to guarantee and/or secure any amounts owing to the Finance Parties under this Agreement or any other Finance Document.

Security Interest means a mortgage, charge, pledge, lien, assignment, trust, hypothecation or other security interest of any kind securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Property means:

- (a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Finance Parties and all proceeds of that Transaction Security;
- (b) all obligations expressed to be undertaken by any Obligor to pay amounts in respect of the Secured Obligations to the Security Agent as trustee for the Finance Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor in favour of the Security Agent as trustee for the Finance Parties; and
- (c) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Finance Parties.

Security Value means, at any time, the amount in euro which, at that time, is the aggregate of:

- (a) the aggregate of the values (or, if less in relation to an individual Ship, the maximum amount capable of being secured by the Mortgage of the relevant Ship) of all of the Mortgaged Ships which have not then become a Total Loss; and
- (b) the value of any additional security then held by the Security Agent or any other Finance Party provided under clause 28(*Minimum security value*),

in each case as most recently determined in accordance with this Agreement (but excluding the value of any additional security then held by the Security Agent or any other Finance Party provided pursuant to clause 28.13 (*Security shortfall*) in the form of cash deposits in euro).

Selection Notice means a notice substantially in the form set out in Schedule 6 (*Selection Notice*) given in accordance with clause 11(*Interest Periods*).

Share Security means, in relation to each Borrower, the document constituting a first Security Interest by the person(s) described as its shareholder(s) in Schedule 1(*The original parties*) in favour of the Security Agent or any other Finance Party in the agreed form in respect of all of the shares in such Borrower.

Ship A means the ship described as such in Schedule 2 (*Ship information*).

Ship B means the ship described as such in Schedule 2 (*Ship information*).

Ship Commitment means, in relation to a Ship, the amount specified as such in respect of such Ship in Schedule 2 (*Ship information*), as cancelled or reduced pursuant to any provision of this Agreement.

Ship Representations means each of the representations and warranties set out in clauses 20.35(*Ship status*) and 20.36 (*Ship's employment*).

Ships means Ship A and Ship B, and **Ship** means any or all of them.

Sinasure means China Export & Credit Insurance Corporation (中国出口信用保险公司), a state owned enterprise having its registered office at No.11 Fenghuiyuan, Xicheng District, Beijing, the People's Republic of China.

Sinosure Agent means DNB Bank ASA or any other person who may be appointed as such under the Finance Documents.

Sinosure Insurance Policy means, in relation to each Ship and the relevant Advance, an insurance policy by and between Sinosure, the Sinosure Agent and the Lenders, setting out the terms and conditions of the buyer's credit insurance, issued or, as the context may require, to be issued by Sinosure in favour of the Lenders, providing cover for each of the political and commercial risks and otherwise setting out the terms and conditions of its insurance of an amount up to ninety per cent (90%) of that Advance plus estimated interest accruing thereon under the terms of this Agreement (such estimate to be based on calculations made between the Sinosure Agent and Sinosure) on such terms and conditions acceptable to all the Lenders and the Sinosure Agent and **Sinosure Insurance Policies** means all of them.

Sinosure Mandatory Prepayment Event shall have the meaning given to that term in clause 8.10(c) (*Termination of a Sinosure Insurance Policy*).

Sinosure Premium means the amount of premium in respect of an Advance being payable or (as the context may require) paid to Sinosure under the terms of the relevant Sinosure Insurance Policy for such Advance on or prior to the Utilisation Date of that Advance.

Spill means any actual or threatened spill, release or discharge of a Pollutant into the environment.

Statement of Compliance means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

Subordination Deed means, in respect of any Financial Indebtedness owing from any Borrower to any other Group Member, a subordination deed in an agreed form between (inter alios) the Security Agent and the lender and borrower of the relevant Financial Indebtedness providing (inter alia) that:

- (a) such Financial Indebtedness is in all respects subject and subordinate to all amounts owing to the Finance Parties under the Finance Documents; and
- (b) if and for as long as an Event of Default is continuing, the lender of such Financial Indebtedness will not be entitled to demand payment or make any claim in respect of the same, whether for principal, interest or any other amounts in connection with the same;
- (c) such Financial Indebtedness, all contracts and agreements in which it is documented and all rights of the lenders of such Financial Indebtedness arising from such contracts or agreements or in connection with such Financial Indebtedness are assigned and/or pledged in favour of the Security Agent; and
- (d) the lender of such Financial Indebtedness owing by a Borrower will procure and agree to the full release, discharge and forgiveness of such Financial Indebtedness if any Finance Party has exercised any remedies or rights (or attempted to do so) under any Share Security over the shares in that Borrower.

Subsidiary of a person means any other person:

- (a) directly or indirectly controlled by such person; or
- (b) of whose dividends or distributions on ordinary voting share capital such person is beneficially entitled to receive more than 50 per cent,

and a person is a "**wholly-owned Subsidiary**" of another person if it has no members except that other person and that other person's wholly-owned Subsidiaries or persons acting on behalf of that other person or its wholly-owned Subsidiaries.

Swire Pacific means Swire Pacific Limited of 33/F, One Pacific Place, 88 Queensway, the HKSAR, the People's Republic of China and its Subsidiaries from time to time.

T2 means the real time gross settlement system operated by the Eurosystem, or any successor system.

TARGET Day means any day on which T2 is open for the settlement of payments in euro.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and **Taxation** shall be construed accordingly.

Termination Fee Equivalent Hire Period means, in relation to an Initial Charter that has been cancelled, rescinded, terminated or frustrated or where the relevant Ship is withdrawn from service thereunder, in each case as described in clause 33.13(b) (*Initial Bareboat Charters and Initial Charters*), a period of days (rounded upwards to zero decimal places) that is equal to the sum of the termination fee and/or other compensation paid to the relevant Bareboat Charterer or Owner by the relevant Charterer divided by the daily rate (less the reasonably estimated daily operating expenses saved by the relevant Bareboat Charterer or Owner as a result of the cancellation, rescission, termination or frustration) for the remainder of such Initial Charter (and where such Initial Charter is not subject to a daily rate, the daily rate shall be the amount that is equal to the total contract price for such Initial Charter divided by the total number of days of employment corresponding to such contract price, in each case as applicable before the relevant cancellation, rescission, termination, frustration or withdrawal).

Total Commitments means the aggregate of the Commitments, being €425,000,000 at the date of this Agreement.

Total Loss means, in relation to a vessel, its:

- (a) actual, constructive, compromised, agreed or arranged total loss;
or
- (b) requisition for title, confiscation or other compulsory acquisition by a government entity;
or
- (c) hijacking, piracy, theft, condemnation, capture, seizure, arrest or detention for more than 90 days.

Total Loss Date means, in relation to the Total Loss of a vessel:

- (a) in the case of an actual total loss, the date it happened or, if such date is not known, the date on which the vessel was last reported;
- (b) in the case of a constructive, compromised, agreed or arranged total loss, the earliest of:
 - (i) the date notice of abandonment of the vessel is given to its insurers;
or
 - (ii) if the insurers do not admit such a claim, the date later determined by a competent court of law to have been the date on which the total loss happened;
or
 - (iii) the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the vessel's insurers;
- (c) in the case of a requisition for title, confiscation or compulsory acquisition, the date it happened;
and
- (d) in the case of hijacking, piracy, theft, condemnation, capture, seizure, arrest or detention, the date 90 days after the date upon which it happened.

Total Loss Repayment Date means, where a Mortgaged Ship has become a Total Loss after its Delivery, the earlier of:

- (a) the date 180 days after its Total Loss Date;
and
- (b) the date upon which insurance proceeds or Requisition Compensation for such Total Loss are paid by insurers or the relevant government entity.

Transaction Document means:

- (a) each Building Contract Document for a Ship;
- (b) each Bareboat Charter for a Ship;
- (c) each Charter Document for a Ship;
and
- (d) each of the Finance Documents.

Transaction Security means the Security Interests created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

Transfer Certificate means a certificate substantially in the form set out in Schedule 9 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrowers.

Transfer Date means, in relation to an assignment pursuant to a Transfer Certificate, the later of:

- (a) the proposed Transfer Date specified in the Transfer Certificate;
and
- (b) the date on which the Agent executes the Transfer Certificate.

Treasury Transaction means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

UK Bail-In Legislation means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

Unpaid Sum means any sum due and payable but unpaid by an Obligor under the Finance Documents.

US means the United States of America.

Utilisation means the making of an Advance.

Utilisation Date means the date on which a Utilisation is to be made.

Utilisation Request means a notice substantially in the form set out in Schedule 4 (*Utilisation Request*).

VAT means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112);
and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

Voluntary Declassification Event means a Declassification Event under paragraph (a) of the definition of Declassification Event.

Write-down and Conversion Powers means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to any UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
- (c) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in any of the Finance Documents to:
 - (i) Sections, clauses and Schedules are to be construed as references to the Sections and clauses of, and the Schedules to, the relevant Finance Document and references to a Finance Document include its Schedules;
 - (ii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as it may from time to time be amended, restated, novated or replaced, however fundamentally;
 - (iii) words importing the plural shall include the singular and vice versa;
 - (iv) a time of day are to Central European time (CET);
 - (v) any person includes its successors in title, permitted assignees or transferees;
 - (vi) shall be construed so as to mean the knowledge, awareness and beliefs of the director and officers of such Obligor, having made due and careful enquiry;
 - (vii) two or more persons are acting in concert if pursuant to an agreement or understanding (whether formal or informal) they actively co-operate, through the acquisition (directly or indirectly) of shares, partnership interest or units or limited liability company interest in an entity by any of them, either directly or indirectly, to obtain or consolidate control of that entity;

- (viii) a document in agreed form means:
- (A) where a Finance Document has already been executed by all of the relevant parties to it, such Finance Document in its executed form;
 - (B) prior to the execution of a Finance Document, the form of such Finance Document separately agreed in writing between the Agent and the Borrowers as the form in which that Finance Document is to be executed or another form approved at the request of the Borrowers or, if not so agreed or approved, is in the form specified by the Agent;
- (ix) **approved by the Majority Lenders** or **approved by the Lenders** means approved in writing by the Agent acting on the instructions of the Majority Lenders or, as the case may be, all of the Lenders (on such conditions as they may respectively impose) and otherwise **approved** means approved in writing by the Agent acting on the instructions of the Majority Lenders (on such conditions as the Agent (acting on the instructions of the Majority Lenders) may impose) and **approval** and **approve** shall be construed accordingly;
- (x) **assets** includes present and future properties, revenues and rights of every description;
- (xi) a n **authorisation** means any authorisation, consent, concession, approval, resolution, licence, exemption, filing, notarisation or registration;
- (xii) **charter commitment** means, in relation to a vessel, any charter or other contract for the use, employment or operation of that vessel or the carriage of people and/or cargo or the provision of services by or from it and includes any contract of affreightment or any contract for services relating to that vessel and any agreement for pooling or sharing income derived from any such charter or other contract;
- (xiii) **control** of an entity means:
- (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (1) cast, or control the casting of, more than 50 per cent of the maximum number of votes that might be cast at a general meeting of that entity; or
 - (2) appoint or remove all, or the majority, of the directors or other equivalent officers of that entity; or
 - (3) give directions with respect to the operating and financial policies of that entity with which the directors or other equivalent officers of that entity are obliged to comply; and/or
 - (B) the holding beneficially of more than 50 per cent of the issued share capital of that entity (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital) (and, for this purpose, any Security Interest over share capital shall be disregarded in determining the beneficial ownership of such share capital),
- and **controlled** shall be construed accordingly;
- (xiv) a Lender's **cost of funds** in relation to its participation in an Advance is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in that Advance for a period equal in length to the relevant Interest Period;

- (xv) the term **disposal** or **dispose** means a sale, transfer or other disposal (including by way of lease or loan but not including by way of loan of money) by a person of all or part of its assets, whether by one transaction or a series of transactions and whether at the same time or over a period of time, but not the creation of a Security Interest;
- (xvi) the **equivalent** of an amount specified in a particular currency (the **specified currency amount**) shall be construed as a reference to the amount of the other relevant currency which can be purchased with the specified currency amount in the London foreign exchange market at or about 11.00 a.m. on the date the calculation falls to be made for spot delivery, as conclusively determined by the Agent (with the relevant exchange rate of any such purchase being the **Agent's spot rate of exchange**);
- (xvii) a **government entity** means any government, state or agency of a state;
- (xviii) a **group of Lenders** or a **group of Finance Parties** includes all the Lenders or (as the case may be) all the Finance Parties;
- (xix) a **guarantee** means (other than in clause 19 (*Guarantee and indemnity*) and in clause 32.6 (*Guarantee and indemnity – Hedging Guarantors*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (xx) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (xxi) a **n obligation** means any duty, obligation or liability of any kind;
- (xxii) something being in the **ordinary course of business** of a person means something that is in the ordinary course of that person's current day-to-day operational business (and not merely anything which that person is entitled to do under its Constitutional Documents);
- (xxiii) **pay, prepay** or **repay** in clause 31 (*Business restrictions*) includes by way of set-off, combination of accounts or otherwise;
- (xxiv) a **person** includes any individual, firm, company, corporation, government entity or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (xxv) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and, in relation to any Lender, includes (without limitation) any Basel Regulation which is applicable to that Lender;
- (xxvi) **right** means any right, privilege, power or remedy, any proprietary interest in any asset and any other interest or remedy of any kind, whether actual or contingent, present or future, arising under contract or law, or in equity;
- (xxvii) **trustee, fiduciary** and **fiduciary duty** has in each case the meaning given to such term under applicable law;
- (xxviii) (i) the **liquidation, winding up, dissolution, or administration** of person or (ii) a **receiver** or **administrative receiver** or **administrator** in the context of insolvency proceedings or security enforcement actions in respect of a person shall be

construed so as to include any equivalent or analogous proceedings or any equivalent and analogous person or appointee (respectively) under the law of the jurisdiction in which such person is established or incorporated or any jurisdiction in which such person carries on business including (in respect of proceedings) the seeking or occurrences of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors; and

- (xxix) a provision of law is a reference to that provision as amended or re-enacted from time to time.
- (b) The determination of the extent to which a rate is "**For a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
- (c) Where in this Agreement a provision includes a monetary reference level in one currency, unless a contrary indication appears, such reference level is intended to apply equally to its equivalent in other currencies as of the relevant time for the purposes of applying such reference level to any other currencies.
- (d) Section, clause and Schedule headings are for ease of reference only.
- (e) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (f) The Borrower providing **cash cover** for an Ancillary Facility means the Borrowers or any of them paying an amount in the currency of the Ancillary Facility to an account and the following conditions being met:
 - (i) either:
 - (A) the account is in the name of the Borrowers or any of them and is with the Ancillary Lender for which that cash cover is to be provided and, until no amount is or may be outstanding under that Ancillary Facility, withdrawals from the account may only be made to pay the relevant Finance Party amounts due and payable to it under this Agreement in respect of that Ancillary Facility; or
 - (B) the account is in the name of the Ancillary Lender for which that cash cover is to be provided;
and
 - (ii) the Borrowers have executed documentation in form and substance satisfactory to the Finance Party for which that cash cover is to be provided, creating a first ranking security interest or other collateral arrangement, in respect of the amount of that cash cover.
- (g) A Default (other than an Event of Default) is continuing if it has not been remedied (if capable of being remedied) or waived and an Event of Default is continuing if it has not been waived.
- (h) Unless a contrary indication appears, in the event of any inconsistency between the terms of this Agreement and the terms of any other Finance Document when dealing with the same or similar subject matter, the terms of this Agreement shall prevail.
- (i) The Borrowers **repaying** or **prepaying** Ancillary Outstandings means:
 - (i) the Borrowers or any of them providing cash cover in respect of the Ancillary Outstandings;
 - (ii) the maximum amount payable under the Ancillary Facility being reduced or cancelled in accordance with its terms;
or

(iii) the Ancillary Lender being satisfied that it has no further liability under that Ancillary Facility,

and the amount by which Ancillary Outstandings are, repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover, reduction or cancellation.

(j) An amount borrowed includes any amount utilised under an Ancillary Facility.

1.3 Currency symbols and definitions

(a) **€**, **EUR** and **euro** denote the lawful currency of the Participating Member States.

(b) **dollar**, **\$** and **USD** mean the lawful currency of the United States of America;

1.4 Third party rights

(a) Except for a provision expressed to be in favour of Sinosure, rights expressed to be for the benefit of or exercisable by Sinosure under a Finance Document or, unless expressly provided to the contrary in a Finance Document, a provision expressed to be for the benefit of a Finance Party or another Indemnified Person, a person who is not a party to a Finance Document has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of the relevant Finance Document.

(b) Any Finance Document may be rescinded or varied by the parties to it without the consent of any person who is not a party to it (unless otherwise provided by this Agreement, including in respect of Sinosure and without prejudice to the provisions of any Sinosure Insurance Policy).

(c) An Indemnified Person who is not a party to a Finance Document may only enforce its rights under that Finance Document through a Finance Party and if and to the extent and in such manner as the Finance Party may determine.

(d) Each party agrees that (i) Sinosure shall not have any obligations or liabilities under this Agreement unless and until it becomes a Lender in accordance with the terms of this Agreement and (ii) this Agreement may not be amended to limit, modify or eliminate any rights of Sinosure without its prior written consent.

1.5 Finance Documents

Where any other Finance Document provides that this clause 1.5 shall apply to that Finance Document, any other provision of this Agreement which, by its terms, purports to apply to all or any of the Finance Documents and/or any Obligor shall apply to that Finance Document as if set out in it but with all necessary changes.

1.6 Conflict of documents

(a) The terms of the Finance Documents (other than as relates to the creation and/or perfection of security) are subject to the terms of this Agreement and, in the event of any conflict between any provision of this Agreement and any provision of any Finance Document (other than in relation to the creation and/or perfection of security) the provisions of this Agreement shall prevail.

(b) In case of any conflict between any provision of a Finance Document and a Sinosure Insurance Policy, the provisions of the Sinosure Insurance Policy shall, as between the Finance Parties and Sinosure, prevail, and to the extent of such conflict or inconsistency, none of the Finance Parties shall assert to Sinosure the terms of the relevant Finance Documents.

1.7 Independence of the Finance Documents

Each Obligor acknowledges that its obligations under the Finance Documents:

- (a) are independent and separate from each Building Contract and any other document or agreement (other than any Finance Document);
- (b) are not subject to, or dependent upon, the execution or performance by any Builder or any other person of its obligations under any Building Contract or any other document, contract or arrangement related to it; and
- (c) will not be affected or discharged by:
 - (i) any matter affecting any Builder or any other person or any Building Contract or any other document, contract or arrangement related to them;
 - (ii) non-performance, breach, frustration or invalidity of, or the destruction, non-completion or non-functioning of any of the goods and services to be supplied, or rendered, under, any Building Contract or any other document, contract or arrangement related to it;
 - (iii) any dispute under any Building Contract or any other document, contract or arrangement related to it, or any claim which any Borrower, any Builder or any other person may have against, or consider that it has against or any other person under or in relation to any Building Contract or any other document, contract or arrangement related to it;
 - (iv) any administration, bankruptcy, insolvency, liquidation or similar proceedings commenced against the Builder or any other person party to any Export Contract, or being applicable to any transactions contemplated thereunder, or any Exporter or any other person party to any Building Contract or any transactions contemplated thereunder being insolvent; or
 - (v) any unenforceability, illegality or invalidity of any obligation of any Builder or any other person under any Building Contract or any other document, contract or arrangement related thereto.

1.8 Instructions of Sinosure

- (a) The Parties acknowledge and agree that, in accordance with the terms of any Sinosure Insurance Policy, Sinosure may, at any time, instruct a Lender (whether directly or by notice to the Sinosure Agent) to suspend or to cease to perform any or all of its obligations under this Agreement or any other Finance Document. That Lender will be required to comply with any such instruction. Each Party agrees that it will not hold any Lender responsible for complying with any such instruction.
- (b) Each Obligor acknowledges and agrees that:
 - (i) a Lender may be required to exercise, or to refrain from exercising, its rights, powers, authorities and discretions under, and performing its obligations under, or in connection with, the Finance Documents, in accordance with any instructions given to it by Sinosure (through the Sinosure Agent or otherwise) in accordance with the provisions of the relevant Sinosure Insurance Policy; and
 - (ii) a Lender will not be acting or making any determination unreasonably if such action or such determination is made in accordance with the relevant Sinosure Insurance Policy or any instructions given to it by Sinosure (through the Sinosure Agent or otherwise) in accordance with the provisions of the relevant Sinosure Insurance Policy.

1.9 Sanctions – Restricted Lender

- (a) In relation to:
- (i) KfW IPEX-Bank GmbH;
and
 - (ii) each other Lender that notifies the Agent to this effect,

(each a **Restricted Lender**), clause 20.34 (*Sanctions*), clause 23.13 (*Sanctions*), paragraphs (b), (c) or (d) of clause 26.16 (*Lawful use*), clause 33.3(c) (*Financial covenants; Sinusure Cover; Sanctions*) (together, the **Sanctions Provisions**) shall only apply for the benefit of that Restricted Lender to the extent that the Sanction Provisions would not result in any violation of, conflict with or liability under:

- (A) Council Regulation (EC) 2271/1996;
or
- (B) section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*) (in connection with section 4 paragraph 1 no.3 of the German Foreign Trade Act (*Außenwirtschaftsgesetz*)); or
- (C) any similar applicable anti-boycott law or regulation imposed by the European Union or any of its member states,

in each case protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom (together, the **Anti-Boycott Regulations**). For the avoidance of doubt, Sanctions imposed by the Security Council of the United Nations, the European Union and/or any of its member states shall be deemed not to result in any violation of the Anti-Boycott Regulations.

- (b) A Restricted Lender must notify the Agent (each such notice, an **Exclusion Notice**) if the Commitments, Ancillary Commitments and/or consent and/or approval, as applicable, of that Restricted Lender shall be excluded in connection with any actual or potential amendment, waiver, determination or direction relating to any part of a Sanction Provision of which such Restricted Lender does not have the benefit pursuant to paragraph (a) above for the purpose of determining whether the consent and/or approval of the Majority Lenders (or, as the case may be, all the Lenders or a specific group of Lenders or such other relevant Lender) has been obtained or whether the determination or direction by the Majority Lenders (or, as the case may be, all the Lenders or a specific group of Lenders or such other relevant Lender) has been made. Absent an Exclusion Notice by a Restricted Lender the Agent is not permitted to exclude that Restricted Lender for the purpose of determining whether the consent and/or approval of the Majority Lenders (or, as the case may be, all the Lenders or a specific group of Lenders or such other relevant Lender) has been obtained or whether the determination or direction by the Majority Lenders (or, as the case may be, all the Lenders or such other relevant Lender) has been made.

Section 2 - The Facility

2 The Facility

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a term loan facility in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any Advance (or any relevant part of it) or any other amount owed by an Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents (including clause 43(*Finance Parties acting together*)), separately enforce its rights under or in connection with the Finance Documents.

2.3 Borrowers' rights and obligations

- (a) The obligations of each Borrower under this Agreement are joint and several. Failure by a Borrower to perform its obligations under this Agreement shall constitute a failure by all of the Borrowers.
- (b) Each Borrower irrevocably and unconditionally jointly and severally with each other Borrower:
 - (i) agrees that it is responsible for the performance of the obligations of each other Borrower under this Agreement;
 - (ii) acknowledges and agrees that it is a principal and original debtor in respect of all amounts due from the Borrowers under this Agreement; and
 - (iii) agrees with each Finance Party that, if any obligation of another Borrower under this Agreement is or becomes unenforceable, invalid or illegal for any reason it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any and all Losses it incurs as a result of another Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by that other Borrower under this Agreement. The amount payable under this indemnity shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.
- (c) The obligations of each Borrower under the Finance Documents shall continue until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been irrevocably and unconditionally paid or discharged in full, regardless of any intermediate payment or discharge in whole or in part.

- (d) If any discharge, release or arrangement (whether in respect of the obligations of a Borrower or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Borrowers under this Agreement will continue or be reinstated as if the discharge, release or arrangement had not occurred.
- (e) The obligations of each Borrower under the Finance Documents shall not be affected by an act, omission, matter or thing which, but for this clause (whether or not known to it or any Finance Party), would reduce, release or prejudice any of its obligations under the Finance Documents including:
 - (i) any time, waiver or consent granted to, or composition with, any Obligor or other person;
 - (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any other Obligor;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
 - (v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security;
 - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
 - (vii) any insolvency or similar proceedings.
- (f) Each Borrower waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Borrower under any Finance Document. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.
- (g) After cancellation of the Total Commitments in accordance with clauses 8.1 (*Illegality*) and 8.9 (*Automatic cancellation*) or the giving of notice under paragraph (a) of clause 33.21 (*Acceleration*), then, until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably and unconditionally paid or discharged in full, each Finance Party (or any trustee or agent on its behalf) may:
 - (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Borrower will be entitled to the benefit of the same; and
 - (ii) hold in an interest-bearing suspense account any money received from any Borrower or on account of any Borrower's liability under any Finance Document.
- (h) Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent

otherwise directs (on such terms as it may require), no Borrower shall exercise any rights (including rights of set-off) which it may have by reason of performance by it of its obligations under the Finance Documents:

- (i) to be indemnified by another Obligor;
and/or
 - (ii) to claim any contribution from any other Obligor or any guarantor of any Obligor's obligations under the Finance Documents;
and/or
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party; and/or
 - (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which that Borrower is liable under this Agreement or any of the other Finance Documents; and/or
 - (v) to exercise any right of set-off against any other Obligor;
and/or
 - (vi) to claim or prove as a creditor of any other Obligor in competition with any Finance Party.
- (i) If a Borrower receives any benefit, payment or distribution in relation to such rights it will promptly pay an equal amount to the Agent for application in accordance with clause 45 (*Payment mechanics*). This only applies until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full.

2.4 Obligors' Agent

- (a) Each Obligor (other than the Parent) by its execution of this Agreement or an Accession Deed irrevocably appoints the Parent (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
- (i) the Parent on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Parent,
- and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.
- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3 Purpose

3.1 Purpose

The Borrowers shall apply all amounts borrowed under the Facility in accordance with this clause 3.

3.2 Use on Delivery

The Ship Commitment for each Ship shall be made available to the Borrowers solely for the purpose of assisting the relevant Owner to finance the part of the Contract Price of that Ship falling due on its Delivery by paying the same to the relevant Builder or, if and to the extent that there is a surplus after such payment to the Builder because the Ship Commitment (and the Advance) for such Ship is more than the part of the Contract Price which it is intended to finance on its Delivery, the balance shall be paid to the Borrowers or their order.

3.3 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4 Conditions of Utilisation

4.1 Initial conditions precedent

The Borrowers (or the Parent on their behalf) may not deliver a Utilisation Request unless the Agent, or its duly authorised representative, has received all of the documents and other evidence listed in Part 1 of Schedule 3 (*Conditions precedent*) in form and substance satisfactory to the Agent.

4.2 Conditions precedent on Delivery

The Ship Commitment in respect of a Ship may only be borrowed under this Agreement if, on or before the Utilisation of such Advance, the Agent, or its duly authorised representative, has received all of the documents and evidence listed in Part 2 of Schedule 3 (*Conditions precedent*) in relation to such Ship in form and substance satisfactory to the Agent.

4.3 Further conditions precedent

The Lenders will only be obliged to comply with clause 5.4 (*Lenders' participation*) if:

- (a) on the date of each Utilisation Request and on the proposed Utilisation Date, no Default is continuing or would result from the proposed Utilisation;
- (b) on the date of each Utilisation Request and on the proposed Utilisation Date, no Sinosure Mandatory Prepayment Event has occurred or would result from the proposed Utilisation;
- (c) in relation to each Utilisation, on the date of the Utilisation Request and on the proposed Utilisation Date, all of the representations set out in clause 20 (*Representations*) (except the Ship Representations and the representations set out in clauses 20.14 (*No filing or stamp taxes*) to 20.17 (*Other Tax matters*) and clause 20.28 (*No adverse consequences*)) are true in all material respects;
- (d) no events, facts, conditions or circumstances shall exist or have arisen or occurred (and neither the Agent nor any Lender shall have become aware of other events, facts, conditions or circumstances not previously known to it), which the Agent (acting on the instructions of the Majority Lenders) shall determine, have had or could reasonably be expected to have, a Material Adverse Effect;

- (e) where the proposed Utilisation Date is to be the first day of the Mortgage Period for a Ship, the Ship Representations for such Ship are true on the proposed Utilisation Date; and
- (f) neither the Agent nor the Sinosure Agent have received any notice from Sinosure requesting the Lenders or any other Finance Party to suspend the Utilisation of the Facility, and the Sinosure Agent is satisfied that the relevant Sinosure Insurance Policy:
 - (i) is in full force and effect; and
 - (ii) provides cover, in accordance with its terms, in respect of the proposed Advance and related interest, for the percentage of political and commercial risks expected by the Lenders.

4.4 Waiver of conditions precedent

The conditions in this clause 4 are inserted solely for the benefit of the Finance Parties and may be waived on their behalf in whole or in part and with or without conditions by the Agent acting on the instructions of the Majority Lenders and Sinosure.

4.5 Notification regarding Advances

The Agent shall deliver to the Sinosure Agent and the Sinosure Agent shall deliver to Sinosure (with a copy to the Lenders):

- (a) promptly and in any event not less than 5 Business Days before a proposed Utilisation Date:
 - (i) notice of receipt of a Utilisation Request;
 - (ii) details of each Lender's participation in the relevant Advance; and
 - (iii) the proposed Utilisation Date.
- (b) a written notice substantially in the form set out in Schedule 5 (*Form of Disbursement and Repayment Report to Sinosure*) within 10 Business Days:
 - (i) after each Utilisation Date; and
 - (ii) after each Interest Period for the relevant Advance and each Repayment Date;
- (c) as soon as reasonably practicable after being notified of the same and instructed by the Majority Lenders (through the Agent), written notice of any circumstances that will lead to a claim under, or enforcement of, a Sinosure Insurance Policy and any event that may prejudice the rights of a Lender under this Agreement or the relevant Sinosure Insurance Policy;
- (d) as soon as reasonably practicable after being notified of the same and instructed by the Majority Lenders (through the Agent), written notice of the occurrence of any Default; and
- (e) no later than 30 days from (and including) the Utilisation Date in respect of each Advance, a copy of the Schedule of Repayment Amounts for such Advance provided pursuant to clause 7.2(d) (*Scheduled repayment of Facility*).

Section 3 - Utilisation

5 Utilisation

5.1 Delivery of a Utilisation Request

The Borrowers (or the Parent on their behalf) may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than 10:00 a.m. (Oslo time) five Business Days before the proposed Utilisation Date (or such later date before the proposed Utilisation Date as may be approved by all the Lenders).

5.2 Completion of a Utilisation Request

- (a) A Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date in respect of an Advance is a Business Day falling not later than the Last Availability Date for that Advance;
 - (ii) the currency and amount of the Utilisation comply with clause 5.3(*Currency and amount*);
 - (iii) the proposed Interest Period complies with clause 11 (*Interest Periods*); and
 - (iv) it identifies the purpose for the Utilisation and that purpose complies with clause 3(*Purpose*) and it identifies the relevant Ship Commitment and the Advance to which it relates.
- (b) Only one Advance may be requested in each Utilisation Request.
- (c) The Ship Commitment for a Ship may only be borrowed in one Advance and in a single amount.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be euro but the Borrowers (or the Parent on their behalf) may request that, forthwith upon the relevant Utilisation and before disbursement by the Agent at a currency exchange rate and in such manner as is agreed between the Agent and the Borrowers and at the cost and expense of the Borrowers, an Advance or part thereof be converted from euro to USD by the Agent.
- (b) The total amount available and advanced under the Facility shall not exceed the Total Commitments.
- (c) A proposed Advance specified in a Utilisation Request in relation to a Ship and the Advance in relation to that Ship shall not exceed the lower of:
 - (i) the Ship Commitment for that Ship;
 - (ii) the amount in euro which is equal to 65% of the Contract Price for that Ship (in euro where so denominated and for such part of the Contract Price denominated in other currencies, the equivalent in euro of such part denominated in such other currencies, which conversion shall take place in accordance with the relevant Sinasure Insurance Policy); and
 - (iii) the amount in euro which is 65% of the market value of that Ship in euro as shown by the valuation made pursuant to Part 2 of Schedule 3 *Conditions precedent*),

and in any event, the amount of such Advance shall not exceed the level of cover provided for principal pursuant to the Sinasure Insurance Policy for such Advance.

- (d) An Advance shall be used for the purpose specified in clause 3 (*Purpose*) and solely in relation to the Ship to which that Advance relates, namely:
- (i) Advance A shall be made available under the Ship Commitment for Ship A and shall be used solely in relation to Ship A; and
 - (ii) Advance B shall be made available under the Ship Commitment for Ship B and shall be used solely in relation to Ship B.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Advance available by 11:00 am (CET time) on the relevant Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in an Advance will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the relevant Advance.
- (c) The Agent shall promptly notify each Lender of the amount of each Advance and the amount of its participation in the relevant Advance, in each case by 11:00 a.m. (CET time) on the date falling two Business Days before the relevant Quotation Day.
- (d) The Agent shall pay all amounts received by it in respect of each Advance (and its own participation in it, if any) to the Borrowers or the account of any of them or the Builder, in each case in accordance with the instructions contained in the Utilisation Request.

5.5 Pre-placement of Advances

- (a) Notwithstanding that the Borrowers may have not yet satisfied all of the conditions precedent set out in Schedule 3 (*Conditions precedent*), in order to facilitate compliance by any Owner with a Building Contract for a Ship, and provided that:
 - (i) the Borrowers (or the Parent on their behalf) have submitted a Utilisation Request in respect of an Advance for that Ship in accordance with this clause 5;
 - (ii) the Borrowers have satisfied the conditions precedent set out in Part 1 of Schedule 3 and (in relation to that Advance) in paragraphs 1, 2(d), 8, 9(a) to (c), 10, 12, 13, 14, 15, 16 and 17 of Part 2 of Schedule 3 (*Conditions precedent on each Delivery*); and
 - (iii) in the reasonable opinion of the Agent the Borrowers are reasonably likely to satisfy all remaining and outstanding conditions precedent set out in Part 2 of Schedule 3 (*Conditions precedent*) in relation to the Ship to which such Advance relates within five Business Days from the Utilisation Date for such Advance and in any event on or before the Release for such Advance (as defined below in clause 5.5(b)),

the Lenders shall, subject to the other terms and conditions of this clause 5.5 and the other provisions of this Agreement, make such Advance available on the date specified in the relevant Utilisation Request, being a date not earlier than three Business Days prior to the expected Delivery Date of the relevant Ship, to facilitate the deposit of the final instalment of the relevant Contract Price in accordance with the relevant Building Contract with a bank required by the relevant Builder and at all times acceptable to all the Lenders (acting reasonably) (a **Builder's Bank**).

- (b) An Advance utilised pursuant to this clause 5.5 (or such part of such Advance as shall be required to ensure that all payments due under the relevant Building Contract on Delivery of such Ship are made) (a **Pre-placed Advance**) shall (subject to the other provisions of this

Agreement) be remitted by the Agent to the relevant Builder's Bank as a cash deposit in the Agent's name, on condition that it will be held by the relevant Builder's Bank to the order of the Agent for release by the Agent to the relevant Builder (a **Release**) and only subject to such irrevocable instructions addressed from the Agent to the relevant Builder's Bank as are acceptable to the Agent (**Irrevocable Instructions**).

- (c) Any such Irrevocable Instructions in relation to a Pre-placed Advance shall in any event provide (inter alia) that the relevant Pre-placed Advance shall be returned to the Agent (in euro, at the Borrowers' cost and expense) within seven Business Days if not released to the Builder or its order. The Finance Parties and the Obligors hereby agree that the relevant Pre-placed Advance shall not be released to the Builder or to its order, and the Agent (and the authorised representatives of the Agent specified in the Irrevocable Instructions) shall not release or agree to release (whether by countersigning the "Protocol of Delivery and Acceptance" in respect of the relevant Ship or otherwise) the relevant Pre-placed Advance to the relevant Builder or its order, unless and until:
 - (i) the "Protocol of Delivery and Acceptance" in respect of that Ship has been signed, dated and timed by the relevant Builder and the relevant Owner; and
 - (ii) the Agent is satisfied that all the conditions precedent set out in Part 1 of Schedule 3 (*Initial conditions precedent*) and Part 2 of Schedule 3 (*Conditions precedent on each Delivery*) in relation to such Ship and such Advance and in clause 4.3 (*Further conditions precedent*), have been (or will be concurrently with such release) satisfied in full or otherwise waived in accordance with the provisions of this Agreement.
- (d) Each Borrower hereby irrevocably and unconditionally undertakes that it shall not give any instructions to a relevant Builder's Bank in respect of a Pre-placed Advance that are inconsistent with any Irrevocable Instructions in respect of that Pre-placed Advance.
- (e) The Borrowers shall immediately prepay a Pre-placed Advance in euro, together with interest thereon (calculated in accordance with clause 10.1 *Calculation of interest*), on the date on which the relevant Builder's Bank is required to return the moneys funded by that Pre-placed Advance to the Agent in accordance with the relevant Irrevocable Instructions (and regardless of whether the relevant Builder's Bank has then carried out such instructions), provided that any moneys (including interest, if any) actually returned to the Agent from the relevant Builder's Bank shall, following (if required) conversion by the Agent of any part of it previously converted into USD pursuant to clause 5.3(a) (*Currency and amount*) from USD to euro at the Agent's spot rate of exchange and otherwise at the Borrowers' cost and expense, be applied by the Agent in satisfaction of such prepayment obligation of the Borrowers and in payment of any amounts payable by the Borrowers under clause 9 (*Restrictions*) as a result of such prepayment.
- (f) In case of application of this clause 5.5 in respect of any Pre-placed Advance, each Pre-placed Advance shall accrue interest in accordance with the terms of clause 10.1 (*Calculation of interest*) from the Utilisation Date for that Advance.
- (g) Any amount prepaid under clause 5.5(e) in respect of an Advance shall be, subject to the other terms of this Agreement, available to be redrawn by the Borrowers where Delivery of the relevant Ship has been delayed, in again assisting the relevant Owner to satisfy its obligations under the relevant Building Contract, provided that no more than one prepayment under clause 5.5(e) in respect of that Advance shall have occurred previously.

6 Ancillary Facilities

6.1 Type of Facility

- (a) An Ancillary Facility may be by way of a guarantee, bonding, documentary or stand-by letter of credit facility, in connection with the business of the Group and which is agreed by the Parent with an Ancillary Lender.

- (b) The Lenders shall have the right of first refusal to enter into any a guarantee, bonding, documentary or stand-by letter of credit facility (through Ancillary Facilities) for which any Group Member is considering to enter into such facility for the purpose of procuring the issuance of guarantees, bonds, letters of credit in relation to the trading of the Ships and/or otherwise in connection with this Facility.

6.2 Availability

- (a) An Ancillary Facility shall not be made available unless, not later than five Business Days prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Borrowers (or the Parent on their behalf):
 - (i) a notice in writing of the establishment of an Ancillary Facility and specifying:
 - (A) that the Borrowers will be the obligors (on a joint and several basis) that may use the Ancillary Facility on a joint and several basis;
 - (B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;
 - (C) the proposed Ancillary Lender (being a Lender);
 - (D) the proposed Ancillary Commitment and the maximum amount of the Ancillary Facility; and
 - (E) the proposed currency of the Ancillary Facility (if not denominated in euro); and
 - (ii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.
- (b) The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.
- (c) Subject to compliance with paragraph (a) above:
 - (i) the Lender concerned will be the Ancillary Lender in respect of the relevant Ancillary Facility; and
 - (ii) the Ancillary Facility will be available,with effect from the date agreed by the Borrowers and the Ancillary Lender.

6.3 Terms of Ancillary Facilities

- (a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Borrowers.
- (b) Those terms:
 - (i) must be based upon normal commercial terms at that time (except as varied by this Agreement);
 - (ii) may allow only the Borrowers to use the Ancillary Facility on a joint and several basis;
 - (iii) may not allow the Ancillary Outstandings for that Ancillary Facility to exceed the Ancillary Commitment for that Ancillary Facility;

- (iv) must require that the Ancillary Commitment for that Ancillary Facility is reduced to zero, and that all Ancillary Outstandings for the same are repaid not later than the latest Final Repayment Date applicable to the Facility (or such earlier date as the Commitment of the relevant Ancillary Lender (or its Affiliate) is reduced to zero).
- (c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for:
 - (i) clause 48.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility;
 - (ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail; and
 - (iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document, in which case that term of this Agreement shall not prevail.
- (d) Interest, commission and fees on Ancillary Facilities are dealt with in clause 13.5 (*Interest, commission and fees on Ancillary Facilities*).

6.4 Repayment of Ancillary Facility

- (a) An Ancillary Facility shall cease to be available on the latest Final Repayment Date applicable to the Facility or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.
- (b) If an Ancillary Facility expires in accordance with its terms, the Ancillary Commitment of the Ancillary Lender shall be reduced to zero and all Ancillary Outstandings shall be repaid in full.
- (c) No Ancillary Lender may demand repayment or prepayment of the Ancillary Outstandings of the relevant Ancillary Facility prior to the expiry date of the relevant Ancillary Facility unless:
 - (i) the Total Commitments have been cancelled in full or all outstanding Advances under the Facility have become due and payable in accordance with the terms of this Agreement; or
 - (ii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility.

6.5 Limitation on Ancillary Outstandings

The Borrowers shall procure the Ancillary Outstandings under any Ancillary Facility shall not exceed the Ancillary Commitment applicable to that Ancillary Facility.

6.6 Information

Each Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the relevant Ancillary Outstandings) as the Agent may reasonably request from time to time. Each Borrower consents to all such information being released to the Agent, the other Finance Parties and Sinosure.

6.7 Amendments and Waivers – Ancillary Facilities

No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement

(including, for the avoidance of doubt, under this clause 6). In such a case, clause 51 (*Amendments and Waivers*) will apply.

Section 4 - Repayment, Prepayment and Cancellation

7 Repayment

7.1 Repayment

- (a) The Borrowers shall on each Repayment Date for an Advance repay such part of such Advance as is required to be repaid on that Repayment Date by clause 7.2 *Scheduled repayment of Facility*.
- (b) Subject to clause 5.5(g) *(Pre-placement of Advances)*, the Borrowers may not reborrow any part of the Facility which has been repaid.

7.2 Scheduled repayment of Facility

- (a) To the extent not previously reduced, each Advance shall be repaid by instalments on each Repayment Date in respect of the relevant Advance by the amount specified in Schedule 7 *(Original Schedule of Repayment Amounts)* (as revised by clause 7.3 *(Adjustment of scheduled repayments)*).
- (b) On the Final Repayment Date for an Advance (without prejudice to any other provision of this Agreement) that Ship Commitment shall be reduced to zero and that Advance shall be repaid in full.
- (c) If, on its Utilisation Date, an Advance is less than the respective Ship Commitment, the Agent shall prepare a Replacement Schedule of Repayment Amounts as soon as possible, however no later than ten (10) Business Days following that Utilisation Date reflecting the actual amount of the relevant Advance and such Replacement Schedule of Repayment Amounts shall (in the absence of manifest error) replace the Original Schedule of Repayment Amounts and shall be the Schedule of Repayment Amounts for that Advance for all purposes of this Agreement. The Agent shall notify all other Parties of such recalculation and provide to them a copy of the Replacement Schedule of Repayment Amounts.
- (d) The Borrowers shall sign one copy of the relevant Schedule of Repayment Amounts referred to in paragraph (a) or, as the case may be, (c), above and deliver it to the Agent on or prior to the date falling 15 Business Days following the Utilisation Date of such Advance. The Agent will sign such Schedule of Repayment Amounts on behalf of the relevant Lenders.

7.3 Adjustment of scheduled repayments

If the Ship Commitment for a Ship has been partially reduced under this Agreement and/or any part of the relevant Advance is prepaid (other than under clause 7.2 *(Scheduled repayment of Facility)*) before any Repayment Date in respect of the relevant Advance then the amount of the instalment by which the relevant Advance shall be repaid under clause 7.2 *(Scheduled repayment of Facility)* on any such Repayment Date for that Advance (as reduced by any earlier operation of this clause 7.3) shall be reduced pro rata to such reduction in the relevant Ship Commitment and/or prepayment of the relevant Advance.

7.4 Consolidation of Repayment Dates

If requested by the Borrowers (or the Parent on their behalf) in writing after the Utilisation of both Advances and subject to approval by the Agent and any related amendments to this Agreement required by the Majority Lenders (and made at the cost of the Borrowers), the Repayment Dates in respect of each Advance may be adjusted in a manner in all respects acceptable to all the Lenders, such that following such adjustments, to the extent possible, there are common Repayment Dates for both Advances, provided always that no Repayment Date shall be extended and there shall be no change to the Final Repayment Date of any Advance.

8 Illegality, prepayment and cancellation

8.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful or contrary to Sanctions for a Lender to perform any of its obligations as contemplated by this Agreement or any of the other Finance Documents, or for any Lender to fund or maintain its participation in any Advance or it becomes unlawful or contrary to Sanctions for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrowers, the Available Commitment of that Lender will be immediately cancelled and the Total Commitments shall be reduced correspondingly and the remaining undrawn Ship Commitments shall each be reduced rateably; and
- (c) to the extent that the Lender's participation has not been assigned pursuant to clause 8.7(*Replacement of Lender*), the Borrowers shall repay that Lender's participation in the Advances on the last day of the Interest Period for each of the Advances occurring after the Agent has notified the Borrowers or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation repaid.

8.2 Change of control

- (a) The Borrowers (or the Parent on their behalf) shall promptly notify the Agent upon any Obligor becoming aware of a Change of Control occurring.
- (b) If a Change of Control occurs:
 - (i) a Lender shall not be obliged to fund an Advance; and
 - (ii) if a Lender so requires and notifies the Agent within 14 days of the Borrowers notifying the Agent of the Change of Control, the Agent shall, by not less than 60 days' notice to the Borrowers, cancel the Available Commitment of that Lender and declare the participation of that Lender in the Loan, together with accrued interest on it, and all other amounts accrued or outstanding in favour of or to such Lender under the Finance Documents, immediately due and payable on such date, whereupon with effect from such date such Available Commitment will be immediately cancelled, the Total Commitments shall be reduced correspondingly and the Commitment of that Lender shall immediately cease to be available for further utilisation and the participation of that Lender in the Loan, and all such accrued or outstanding interest and other amounts shall become immediately due and payable to such Lender on such date.

8.3 Voluntary cancellation

- (a) The Borrowers may, if they give the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, cancel the whole or any part (being a minimum amount of €1,000,000 and a multiple of €100,000) of any part of any Advance which is undrawn at the proposed date of cancellation, such cancellation being applied, at the Borrowers' option, to reduce one or more Ship Commitments.
- (b) Any cancellation under this clause 8.3 shall reduce the Total Commitments by the same amount and the Commitments of the Lenders rateably.

8.4 Voluntary prepayment

The Borrowers may, if they give the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, prepay the whole or any part of an

Advance (but if in part, being an amount that reduces the amount of that Advance by a minimum amount of €1,000,000 and is a multiple of €100,000), on the last day of an Interest Period in respect of the amount to be prepaid (or any other date subject to payment of any Break Costs).

8.5 Right of cancellation and prepayment in relation to a single Lender

(a) If:

- (i) any sum payable to any Lender by an Obligor is required to be increased under clause 14.2(*Tax gross-up*);
or
- (ii) any Lender claims indemnification from the Borrowers under clause 14.3(*Tax indemnity*) or clause 15.1(*Increased costs*),

the Borrowers may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and their intention to procure the repayment of that Lender's participation in the Loan.

(b) On receipt of a notice referred to in paragraph (a) above, the Available Commitment of that Lender shall immediately be reduced to zero and the Total Commitments shall be reduced correspondingly and the remaining undrawn Ship Commitments shall each be reduced rateably. The Agent shall as soon as practicable after receipt of a notice referred to in clause 8.5(a) above, notify all the Lenders.

(c) On the last day of each Interest Period which ends after the Borrowers have given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrowers in that notice), the Borrowers shall repay that Lender's participation in the Loan together with all interest and other amounts accrued under the Finance Documents which is then owing to it and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participations repaid.

8.6 Right of cancellation in relation to a Defaulting Lender

(a) If any Lender becomes a Defaulting Lender, the Borrowers may, at any time whilst the Lender continues to be a Defaulting Lender give the Agent 10 Business Days' notice of cancellation of the Available Commitment of that Lender.

(b) On such notice becoming effective, the Available Commitment of the Defaulting Lender shall immediately be reduced to zero and the remaining undrawn Ship Commitments shall each be reduced rateably and the Agent shall as soon as practicable after receipt of such notice, notify all the Lenders.

8.7 Replacement of Lender

(a) If:

- (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below);
or
- (ii) the Borrowers become obliged to repay any amount in accordance with clause 8.1(*Illegality*) to any Lender;
or
- (iii) any of the circumstances set out in paragraph (a) of clause 8.5 (*Right of cancellation and prepayment in relation to a single Lender*) apply to a Lender,

the Borrowers may, on 10 Business Days' prior notice to the Agent and that Lender, replace such Lender by requiring such Lender to assign (and, to the extent permitted by law, such Lender shall assign) pursuant to clause 35 (*Changes to the Lenders*) all (and not part only) of its rights under this Agreement (and any Security Document to which such Lender is a

party in its capacity as a Lender) to an Eligible Institution (**aReplacement Lender**) which confirms its willingness to assume and does assume all the obligations of the assigning Lender in accordance with clause 35 (*Changes to the Lenders*) for a purchase price in cash payable at the time of the assignment in an amount equal to the aggregate of:

- (A) the outstanding principal amount of such Lender's participation in each Advance;
 - (B) all accrued interest owing to such Lender;
 - (C) the Break Costs which would have been payable to such Lender pursuant to clause 12.6(*Break Costs*) had the Borrowers prepaid in full that Lender's participation in each Advance on the date of the assignment; and
 - (D) all other amounts payable to that Lender under the Finance Documents on the date of the assignment.
- (b) The replacement of a Lender pursuant to this clause 8.7 shall be subject to the following conditions:
- (i) the Borrowers shall have no right to replace the Agent or the Security Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a Replacement Lender;
 - (iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 30 Business Days after the date on which that Lender is deemed a Non-Consenting Lender;
 - (iv) in no event shall the Lender replaced under this clause 8.7 be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents;
 - (v) the new Lender shall be approved by Sinosure and be substituted in each Sinosure Insurance Policy by way of endorsement to each Sinosure Insurance Policy;
 - (vi) the Lender shall only be obliged to assign its rights pursuant to paragraph (a) above once each of such Lender and the Agent are satisfied that each has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that assignment; and
 - (vii) the Borrowers shall procure that if the Lender replaced is also a Hedging Provider, no such replacement will take place unless the replaced Lender uses reasonable endeavours to procure that the Replacement Lender at the same time enters into an agreement with that Hedging Provider (who is also the replaced Lender) pursuant to which that Hedging Provider, at the same time as the replacement of the relevant Lender becomes effective, assigns and transfers to such Replacement Lender (in its capacity as Hedging Provider) all of its rights and obligations under all Hedging Contracts and the Hedging Master Agreement to which it is a party, pursuant to the provisions of paragraph (c) of clause 35.2 (*Borrower consultation; Sinosure approval; Hedging Providers*).
- (c) Each of the Lender and the Agent shall perform the checks described in paragraph (b)(vi) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and the relevant Lender shall notify the Agent when it is satisfied (and the Agent shall notify the Borrowers when each of that Lender and the Agent is satisfied) that it has complied with those checks.

(d) In the event that:

- (i) the Borrowers or the Agent (at the request of the Borrowers) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
- (ii) the consent, waiver or amendment in question requires the approval of all the Lenders;
- (iii) all information requested by the Lenders has been provided by the Borrowers to the Lenders to enable them to assess the consent, waiver or amendment in question; and
- (iv) the Majority Lenders have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall, after being provided reasonably sufficient time to consider and process the consent, waiver or amendment in question (and in any event, not less than 10 Business Days from the date on which paragraph (iii) above has been complied with) be deemed a **Non-Consenting Lender**.

8.8 Sale or Total Loss

On a Mortgaged Ship's Disposal Repayment Date:

- (a) the Borrowers shall prepay in full the Advance for that Ship plus (if required) such additional amount of the other Advance as shall ensure that after such prepayment the Security Value is not less than the Minimum Value; and
- (b) that Ship's Ship Commitment shall be reduced to zero, the Ship Commitment of the Ship relevant to the other Advance shall be reduced by an amount equal to any prepayment of such Advance under paragraph (a) above and the Total Commitments shall be reduced by an amount equal to the amount of such prepayment pursuant to paragraph (a) above.

8.9 Automatic cancellation

Any part of a Ship Commitment which has not become available by the Last Availability Date for that Ship Commitment shall be automatically cancelled at close of business in London on the Last Availability Date for that Ship Commitment.

8.10 Termination of a Sinosure Insurance Policy

If at any time during the Facility Period:

- (a) any of the obligations of Sinosure under all or part of a Sinosure Insurance Policy is terminated, cancelled, becomes invalid, unenforceable or otherwise ceases to be in full force and effect; or
- (b) it becomes unlawful or impossible for Sinosure to fulfil any of the obligations expressed to be assumed by it in a Sinosure Insurance Policy or for the Agent or the Sinosure Agent or a Lender to exercise the rights or any of them vested in it under a Sinosure Insurance Policy; or
- (c) Sinosure has stated its intention to, repudiate, terminate, cancel or suspend the application of all or part of a Sinosure Insurance Policy,

(each a **Sinosure Mandatory Prepayment Event**) then as of the time such Sinosure Mandatory Prepayment Event occurs:

- (i) no Lender shall be obliged to fund the relevant Advance;

- (ii) the relevant Advance shall be automatically cancelled;
and
- (iii) the relevant Advance together with accrued interest, fees and all other sums payable under this Agreement and any other Finance Document under or in connection with such Advance shall be immediately due and payable.

8.11 Release

- (a) Subject to paragraph (b) below, following a full prepayment of an Advance:
 - (i) under clause 8.4 (*Voluntary Prepayment*);
or
 - (ii) under clause 8.8 (*Sale or Total Loss*) and subject to any other prepayments required by clause 8.8 (*Sale or Total Loss*) having been made,

and further subject to:

- A. the concurrent prepayment by the Obligors of such portion of the Ancillary Outstandings as required by any Ancillary Lender pursuant to the terms of any Ancillary Document (as evidenced to the Agent in a manner satisfactory to it by written confirmation of the relevant Ancillary Lenders);
- B. the concurrent prepayment and/or settlement by the Obligors of such amounts under any Hedging Contract and the closing out of such Hedging Transactions by the Obligors as required by any Hedging Provider pursuant to the terms of any Hedging Contract and clause 32.3 (*Unwinding of Hedging Contracts*) (as evidenced to the Agent in a manner satisfactory to it by written confirmation of the relevant Hedging Providers); and
- C. the Security Value being equal to or higher than the Minimum Value following such prepayment without taking into account the value of the Ship corresponding to the Advance prepaid,

then the Finance Parties agree to release the Mortgage of such Ship and the other security over or in respect of such Mortgaged Ship pursuant to a deed of release in such form acceptable to the Majority Lenders, after such prepayment and at the cost and expense of the Borrowers, provided that no Event of Default exists at the time of or would result from such release and that, immediately after such release, the Security Value shall continue to be equal to or higher than the Minimum Value.

- (b) In the event that a full prepayment of an Advance pursuant to paragraph (a) above is in respect of the last remaining Mortgaged Ship under this Agreement, any release pursuant to paragraph (a) above shall be subject to the Borrowers repaying all other amounts (not covered in paragraph (a) above) owing pursuant to the Finance Documents, including the prepayment and/or settlement of such amounts under any Ancillary Document and Hedging Contract and the closing out of such Hedging Transactions by the Obligors as required by any Hedging Provider pursuant to the terms of any Hedging Contract and clause 32.3 (*Unwinding of Hedging Contracts*) (as evidenced to the Agent in a manner satisfactory to it by written confirmation of the relevant Ancillary Lenders and Hedging Providers (as applicable)).
- (c) The Borrowers shall give each Ancillary Lender and each Hedging Provider not less than five Business Days' notice of a full prepayment of an Advance pursuant to clause 8.4 (*Voluntary Prepayment*) or clause 8.8 (*Sale or Total Loss*) and the intended release of security in respect of a Mortgaged Ship pursuant to paragraph (a) above.

9 Restrictions

9.1 Notices of cancellation and prepayment

Any notice of cancellation or prepayment given by any Party under clause 8 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment. If any such cancellation or prepayment relates to a particular Ship Commitment and/or Advance, any such notice shall also specify the relevant Ship Commitment and/or Advance.

9.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

9.3 Reborrowing

The Borrowers may not re-borrow any part of the Facility which is prepaid or repaid (except as otherwise permitted by clause 5.5(g) *Pre-placement of Advances*).

9.4 Prepayment in accordance with Agreement

The Borrowers shall not repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

9.5 No reinstatement of Commitments

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

9.6 Agent's receipt of notices

If the Agent receives a notice under clause 8 it shall promptly forward a copy of that notice to either the Borrowers or the affected Lender, as appropriate.

9.7 Effect of repayment and prepayment on Commitments

If all or part of any Lender's participation in the Loan is repaid or prepaid, an amount of that Lender's Commitment equal to the amount of the participation which is repaid or prepaid will be deemed to be cancelled on the date of repayment or prepayment.

9.8 Application of cancellations

If the Total Commitments are partially reduced and/or the Loan is partially prepaid under this Agreement (other than under clause 8.1 (*Illegality*), clause 8.2 (*Change of control*) and clause 8.5 (*Right of cancellation and prepayment in relation to a single Lender*)), the Commitments of the Lenders and (other than in relation to a cancellation of all of the Ship Commitment for a Ship) the remaining Ship Commitments shall be reduced rateably.

9.9 Application of prepayments

- (a) Any prepayment required as a result of a cancellation in full of an individual Lender's Commitment under clause 8.1 (*Illegality*), clause 8.2 (*Change of control*) or clause 8.5 (*Right of cancellation and prepayment in relation to a single Lender*) shall be applied in prepaying the relevant Lender's participation in each of the Advances.
- (b) Any other partial prepayment of the Loan shall be applied pro rata to the participation of all the Lenders.

9.10 Reduction in hedging exposure on prepayment

Any prepayment under this Agreement shall be made together with payment to any Hedging Provider of any amount falling due to the relevant Hedging Provider under a Hedging Contract as

a result of the termination or close out of that Hedging Contract or any Hedging Transaction, in full or in part, under it in accordance with clause 32.3(*Unwinding of Hedging Contracts*) in relation to that prepayment.

9.11 Removal of Finance Parties from security

Upon cancellation and prepayment in full of an individual Lender's Commitment under clause 8.1(*Illegality*), clause 8.2 (*Change of control*) or clause 8.5(*Right of cancellation and prepayment in relation to a single Lender*):

- (a) that Lender and the other Parties must promptly take (and the Borrowers shall ensure that any other relevant Obligor promptly takes) whatever action the Agent may, in its reasonable opinion, deem necessary or desirable for the purpose of removing that Lender as a party to and beneficiary of any Security Documents granted in favour of (among others) the Lenders or as an insured, assured or beneficiary of or under any Sinosure Insurance Policy; and
- (b) if that Lender is also a Hedging Provider, following the corresponding prepayment and/or settlement in full of the amounts outstanding under any Hedging Contract entered into with that Hedging Provider and the termination and close out of all Hedging Transactions with that Hedging Provider by the Borrowers (if applicable) pursuant to clause 34.4(b) (*Close out of Hedging Contracts*), that Hedging Provider and the other Parties must promptly take (and the Borrowers shall ensure that any other relevant Obligor promptly takes) whatever action the Agent may, in its reasonable opinion, deem necessary or desirable for the purpose of removing that Hedging Provider as a party to and beneficiary of any Security Documents granted in favour of (among others) the Hedging Providers.

Section 5 - Costs of Utilisation

10 Interest

10.1 Calculation of interest

The rate of interest on each Advance (or any relevant part of it for which there is a separate Interest Period) for each Interest Period for the relevant Advance is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin;
and
- (b) EURIBOR for the relevant Interest Period.

10.2 Green Loan Margin Adjustment

- (a) Subject to clause 23.16 (*Declassification Event*) and the other paragraphs of this clause 10.2, following the receipt by the Agent of a Pre-Utilisation Green Loan Compliance Certificate under paragraph (b) below and the Green Loan Compliance Certificate in accordance with clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*), the Margin applicable to each Advance shall be re-determined as follows (**the Green Loan Margin Adjustment**):
 - (i) if pursuant to the Green Loan Compliance Certificate the Borrowers are in compliance with the Green Asset Criteria, Margin shall be 1.50 per cent per annum;
or
 - (ii) if pursuant to the Green Loan Compliance Certificate the Borrowers are not in compliance with the Green Asset Criteria, Margin shall be 1.60 per cent per annum;
- (b) At any time prior to the submission of the first Green Loan Compliance Certificate under clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*), the Borrowers may deliver a Pre-Utilisation Green Loan Compliance Certificate. In that case, any Green Loan Margin Adjustment shall take effect:
 - (i) for the purposes of calculating Margin for an Advance, from the first day of the next Interest Period for the relevant Advance until the earlier of (A) the end of the Interest Period for that Advance immediately following a Declassification Event and (B) the date when the first Green Loan Margin Adjustment is to be made in respect of such Advance due to the submission of a Green Loan Compliance Certificate under clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*); and
 - (ii) for the purposes of calculating the commitment fee pursuant to clause 13.1 (*Commitment fee*) in respect of the Ship Commitment relevant to an Advance, from the date of its submission (if submission is on the date of this Agreement) or from the first day falling after the next due date of commitment fee under such clause 13.1 (*Commitment fee*) following its submission (if submission is made after the date of this Agreement), until the earlier of (A) the end of the Interest Period for the relevant Advance immediately following a Declassification Event and (B) the date when the first Green Loan Margin Adjustment is to be made in respect of such Advance due to the submission of a Green Loan Compliance Certificate under clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*).
- (c) Where a Green Loan Compliance Certificate (other than a Pre-Utilisation Green Loan Compliance Certificate) is received in respect of a financial year (**a Relevant Year**), any Green Loan Margin Adjustment in respect of the Margin for an Advance shall take effect on the first day of the next Interest Period for that Advance which falls within the next financial year after the Relevant Year and shall apply until the end of the Interest Period immediately

following the earlier of (i) a Declassification Event and (ii) another Green Loan Margin Adjustment pursuant to this clause 10.2.

- (d) Excluding any Pre-Utilisation Green Loan Compliance Certificate, only one Green Loan Compliance Certificate may be delivered in respect of each financial year.
- (e) If a revised Green Loan Compliance Certificate is received by the Agent pursuant to clause 21.17 (*Green Loan Compliance Certificate Inaccuracy*), any Green Loan Margin Adjustment which was applied to the Margin for the Loan during a financial year shall:
 - (i) be recalculated in accordance with the revised Green Loan Compliance Certificate;
and
 - (ii) take effect on the first day of the next Interest Period for that Advance which falls within the same financial year and shall apply until the end of the Interest Period for that Advance immediately following the earlier of (i) a Declassification Event and (ii) another Green Loan Margin Adjustment pursuant to this clause 10.2; save that where the relevant Green Loan Compliance Certificate Inaccuracy relates to a Pre-Utilisation Green Loan Compliance Certificate, such recalculation shall take effect:
 - (A) for the purposes of calculating Margin for an Advance, from the first day of the next Interest Period for the relevant Advance, until the earlier of (A) the end of the Interest Period for that Advance immediately following a Declassification Event and (B) the date when the first Green Loan Margin Adjustment is to be made in respect of such Advance due to the submission of a Green Loan Compliance Certificate under 21.16 (*Green Loan Compliance Certificate and Green Loan Report*); and
 - (B) for the purposes of calculating the commitment fee pursuant to clause 13.1 (*Commitment fee*) in respect of the Ship Commitment relevant to an Advance, from the first day falling after the next due date of commitment fee under such clause 13.1 (*Commitment fee*) following its submission, until the earlier of (A) the end of the Interest Period for the relevant Advance immediately following a Declassification Event and (B) the date when the first Green Loan Margin Adjustment is to be made in respect of such Advance due to the submission of a Green Loan Compliance Certificate under clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*).
- (f) If a revised Green Loan Compliance Certificate received by the Agent pursuant to clause 21.17 (*Green Loan Compliance Certificate Inaccuracy*) shows that a higher Margin or commitment fee pursuant to clause 13.1 (*Commitment fee*) should have applied during a certain period, then the Borrowers shall promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been had the appropriate rate of the Margin and commitment fee applied during that period.

10.3 Payment of interest

The Borrowers shall pay accrued interest on each Advance (or any relevant part of it) on the last day of each Interest Period for that Advance (or the relevant part of it) (and, if an Interest Period is longer than 3 Months, on the dates falling at 3 Monthly intervals after the first day of that Interest Period).

10.4 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document (other than a Hedging Contract) to a Finance Party on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (c) below, is 2.00 per cent per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-

payment, constituted an Advance for successive Interest Periods, each of a duration selected by the Agent (acting reasonably).

- (b) Any interest accruing under this clause 10.4 shall be immediately payable by the Obligor on demand by the Agent.
- (c) If any overdue amount consists of all or part of an Advance (or any relevant part of it) which became due on a day which was not the last day of an Interest Period relating to the Advance or the relevant part of it:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to the Advance or the relevant part of it; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2.00 per cent per annum higher than the rate which would have applied if the overdue amount had not become due.
- (d) Default interest payable under this clause 10.4 (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.5 Notification of rates of interest

- (a) The Agent shall promptly notify the Lenders and the Borrowers (or the Parent on their behalf) of the determination of a rate of interest under this Agreement.
- (b) The Agent shall promptly notify the Borrowers (or the Parent on their behalf) of each Funding Rate relating to each Advance (or any relevant part of it).

11 Interest Periods

11.1 Selection of Interest Periods

- (a) The Borrowers (or the Parent on their behalf) may select an Interest Period for an Advance in the Utilisation Request for that Advance and (after such Advance has been borrowed) may select an Interest Period for the relevant Advance in a Selection Notice.
- (b) Each Selection Notice is irrevocable and must be delivered to the Agent by the Borrowers (or the Parent on their behalf) not later than 11:00 a.m. four Business Days before the last day of the then current Interest Period for the relevant Advance.
- (c) If the Borrowers (or the Parent on their behalf) fail to deliver a Selection Notice to the Agent in accordance with the above paragraph, the relevant Interest Period will, subject to clause 11.2 (*Interest Periods overrunning Repayment Dates*), be 3 Month(s).
- (d) Subject to this clause 11.1, the Borrowers (or the Parent on their behalf) may select an Interest Period of three Months or any other period agreed between the Borrowers (or the Parent on their behalf), the Agent and all the Lenders.
- (e) No Interest Period for an Advance shall extend beyond the Final Repayment Date for that Advance.
- (f) The first Interest Period for an Advance shall start on its Utilisation Date and each subsequent Interest Period for that an Advance shall start on the last day of its preceding Interest Period.

11.2 Interest Periods overrunning Repayment Dates

If the Borrowers select an Interest Period for an Advance which would overrun any later Repayment Date for that Advance, that Advance shall be divided into parts corresponding to the amounts by which that Advance is scheduled to be repaid under clause 7.2 (*Scheduled repayment of Facility*) on each of the Repayment Dates for that Advance falling during such Interest Period (each of which shall have a separate Interest Period ending on the relevant Repayment Date for that Advance) and to the balance of that Advance (which shall have the Interest Period selected by the Borrowers).

11.3 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

12 Changes to the calculation of interest

12.1 Unavailability of Screen Rate

- (a) *Interpolated Screen Rate*: If no Screen Rate is available for EURIBOR for an Interest Period, EURIBOR shall be the Interpolated Screen Rate for a period equal in length to that Interest Period.
- (b) *Reference Bank Rate*: If no Screen Rate is available for EURIBOR for:
 - (i) euro;
or
 - (ii) the relevant Interest Period and it is not possible to calculate the Interpolated Screen Rate,

EURIBOR shall be the Reference Bank Rate as of 11.30 a.m. (Brussels time) on the relevant Quotation Day and for a period equal in length to the relevant Interest Period.

- (c) *Cost of funds*: If paragraph (b) above applies but no Reference Bank Rate is available for euro or the relevant Interest Period, there shall be no EURIBOR for that Interest Period and clause 12.4 (*Cost of funds*) shall apply for that Interest Period.

12.2 Calculation of Reference Bank Rate

- (a) Subject to paragraph (b) below, if EURIBOR for an Interest Period is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by 11.30 a.m. (Brussels time) on the relevant Quotation Day, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.
- (b) If at or about 11.30 a.m. (Brussels time) on the relevant Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for that Interest Period.

12.3 Market disruption

If before close of business in London on the Quotation Day for an Interest Period for an Advance (or any part of it) either (i) EURIBOR is unavailable or (ii) the Agent receives notifications from a Lender or Lenders (whose aggregate participations in the Loan exceed 50 per cent. of the Loan) that the cost to it of funding its participation in the relevant Advance or relevant part of it from whatever source it may reasonably select would be in excess of EURIBOR then clause 12.4 (*Cost of funds*) shall apply to the relevant Advance or relevant part of it for the relevant Interest Period.

12.4 Cost of funds

- (a) If this clause 12.4 applies, the rate of interest on each Lender's share of the relevant Advance or relevant part of it for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin;
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event within ten Business Days of the first day of that Interest Period (or, if earlier, on the date falling ten Business Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in the relevant Advance.
- (b) If this clause 12.4 applies and the Agent or the Borrowers so require, the Agent and the Borrowers shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders, Sinosure and the Borrowers, be binding on all Parties.
- (d) If this clause 12.4 applies pursuant to clause 12.3 (*Market disruption*) and:
 - (i) a Lender's Funding Rate is less than EURIBOR;
 - or
 - (ii) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,the cost to that Lender of funding its participation in the relevant Advance or relevant part of it for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be EURIBOR.
- (e) If this clause 12.4 applies pursuant to clause 12.1 (*Unavailability of Screen Rate*) but any Lender does not supply a quotation by the time specified in paragraph (a)(ii) above the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders.

12.5 Notification to Borrowers

If clause 12.4 (*Cost of funds*) applies, the Agent shall, as soon as is practicable, notify the Borrowers (or the Parent on their behalf).

12.6 Break Costs

- (a) The Borrowers shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of any Advance (or any relevant part of it) or Unpaid Sum being paid by the Borrowers on a day other than the last day of an Interest Period for that Advance (or any relevant part of it) or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate to the Borrowers and the Agent confirming the amount of its Break Costs for any Interest Period in which they accrue.

13 Fees

13.1 Commitment fee

- (a) The Borrowers shall pay to the Agent (for the account of each Lender) a fee in euro computed at the rate per annum equal to 35% of the applicable Margin (taking into account any Green Loan Margin Adjustment) on that Lender's Available Commitment calculated on a daily basis from the date of this Agreement (the **Start Date**).
- (b) The Borrowers shall pay the accrued commitment fee on the last day of the period of three Months commencing on the Start Date, on the last day of each successive period of three Months thereafter until the earlier of the latest of the Last Availability Dates and the second Utilisation Date, on the earlier of such dates and, if cancelled in full, on the cancelled amount of the relevant Lender's Available Commitment at the time the cancellation is effective.
- (c) No commitment fee is payable to the Agent (for the account of a Lender) on any undrawn Commitments of that Lender for any day on which that Lender is a Defaulting Lender.

13.2 Mandated lead arranger fee

The Borrowers shall pay to the Arrangers a mandated lead arranger fee in the amount and at the times agreed in a Fee Letter.

13.3 Agency fee

The Borrowers shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

13.4 Sinosure Premium

- (a) The Borrowers acknowledge that the Lenders shall procure the placement of each Sinosure Insurance Policy through the Sinosure Agent and shall benefit from it throughout the duration of the Facility Period. The Borrowers agree to pay to Sinosure the Sinosure Premium applicable to each Advance on or prior to the Utilisation Date in respect of such Advance. The Borrowers (or the Parent on their behalf) shall immediately notify the Sinosure Agent and the Agent of the payment to Sinosure of the Sinosure Premium in respect of a Sinosure Insurance Policy having been made and shall provide all relevant evidence to this effect to the satisfaction of the Sinosure Agent and the Agent.
- (b) The Borrowers agree that their obligation to make the payments set out in clause 13.4(a) to Sinosure in respect of the Sinosure Premium for each Sinosure Insurance Policy (or any part thereof) shall be an absolute obligation and shall not be affected by any matter whatsoever. The Sinosure Premium (or any part thereof) for each Sinosure Insurance Policy shall not be refundable except in accordance with the terms of the relevant Sinosure Insurance Policy and Sinosure's internal regulations.
- (c) Promptly after receipt by a Finance Party of a refund of the Sinosure Premium from Sinosure and if all amounts due and owing by the Borrowers or any of them at that time have been discharged in full, such refund shall be paid to the Borrowers. A Finance Party which has not received a refund of the Sinosure Premium to which it is entitled pursuant to the relevant Sinosure Insurance Policy, shall take any appropriate steps in order to receive such refund.
- (d) The Borrowers acknowledge that the amount of each Sinosure Premium will be solely determined by Sinosure in the manner specified in the relevant defined term of Sinosure Premium in clause 1 (*Definitions and interpretations*) but always subject to the terms of the relevant Sinosure Insurance Policy and Sinosure's internal regulations, and no Finance Party is in any way involved in the determination of the amount of the Sinosure Premium and agrees that the Borrowers shall have no claim or defence against any Finance Party in connection with the amount of the Sinosure Premium for any Sinosure Insurance Policy.

13.5 Interest, commission and fees on Ancillary Facilities

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrowers as borrowers of that Ancillary Facility based upon normal market rates and terms.

Section 6 - Additional Payment Obligations

14 Tax gross-up and indemnities

14.1 Definitions

In this Agreement:

Protected Party means a Finance Party or, in relation to clause 16.5 (*Indemnity concerning security*) and clause 16.8 (*Interest*) insofar as it relates to interest on any amount demanded by that Indemnified Person under clause 16.5 (*Indemnity concerning security*), any Indemnified Person, which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document or a Sinosure Insurance Policy.

Tax Credit means a credit against, relief or remission for, or repayment of any Tax.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document (other than a Hedging Contract) or a Sinosure Insurance Policy other than a FATCA Deduction.

Tax Payment means either the increase in a payment made by an Obligor to a Finance Party under clause 14.2 (*Tax gross-up*) or a payment under clause 14.3 (*Tax indemnity*).

Unless a contrary indication appears, in this clause 14, a reference to **determines** or **determined** means a determination made in the absolute discretion of the person making the determination.

14.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it under any Finance Document without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrowers (or the Parent on their behalf) shall, promptly upon any of them becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrowers and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor under the relevant Finance Document shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (f) Paragraphs (a) to (e) above shall not apply in respect of any payments under any Hedging Contract, where the gross-up provisions of the relevant Hedging Master Agreement itself shall apply.

14.3 Tax indemnity

- (a) Each Obligor who is a Party shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or a Sinosure Insurance Policy.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under clause 14.2 (*Tax gross-up*);
or
 - (B) relates to a FATCA Deduction required to be made by a Party or any Obligor which is not a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrowers.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this clause 14.3, notify the Agent.

14.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines, that:

- (a) a Tax Credit is attributable (A) to an increased payment of which that Tax Payment forms part, (B) to that Tax Payment or (C) to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.5 Indemnities on after Tax basis

- (a) If an Event of Default is continuing or where the Agent and/or Security Agent have taken any steps pursuant to clause 33.21 (*Acceleration*), to the extent that any sum payable to any Protected Party by the Borrowers under any Finance Document by way of indemnity or reimbursement proves to be insufficient, by reason of any Tax suffered thereon, for that Protected Party to discharge the corresponding liability to a third party, or to reimburse that Protected Party for the cost incurred by it in discharging the corresponding liability to a third party, the Borrowers shall pay that Protected Party such additional sum as (after taking into account any Tax suffered by that Protected Party on such additional sum) shall be required to make up the relevant deficit.

- (b) If and to the extent that any sum (the **Indemnity Sum**) constituting (directly or indirectly) an indemnity to any Protected Party but paid by the Borrowers to any person other than that Protected Party, shall be treated as taxable in the hands of the Protected Party, the Borrowers shall pay to that Protected Party such sum (the **Compensating Sum**) as (after taking into account any Tax suffered by that Protected Party on the Compensating Sum) shall reimburse that Protected Party for any Tax suffered by it in respect of the Indemnity Sum.
- (c) For the purposes of paragraphs (a) and (b) above, a sum shall be deemed to be taxable in the hands of a Protected Party if it falls to be taken into account in computing the profits or gains of that Protected Party for the purposes of Tax and, if so, that Protected Party shall be deemed to have suffered Tax on the relevant sum at the rate of Tax applicable to that Protected Party's profits or gains for the period in which the payment of the relevant sum falls to be taken into account for the purposes of such Tax.

14.6 Stamp taxes

The Borrowers shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document or a Sinosure Insurance Policy.

14.7 Value added tax

- (a) All amounts expressed in a Finance Document to be payable by any party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any party under a Finance Document, and such Finance Party is required to account to the relevant tax authority for the VAT, that party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any party to a Finance Document other than the Recipient (the **Subject Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Subject Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Subject Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Subject Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any party to it to reimburse or indemnify a Finance Party for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

- (d) Any reference in this clause 14.7 to any party shall, at any time when such party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994).
- (e) In relation to any supply made by a Finance Party to any party under a Finance Document, if reasonably requested by such Finance Party, that party must promptly provide such Finance Party with details of that party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

14.8 FATCA information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party;
or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty;
or
 - (iii) any duty of confidentiality
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraphs (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

14.9 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrowers and the Agent and the Agent shall notify the other Finance Parties.

15 Increased Costs

15.1 Increased costs

- (a) Subject to clause 15.3 (*Exceptions*), the Borrowers shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates which:
- (i) arises as a result of (A) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (B) compliance with any law or regulation in either case made after the date of this Agreement; and/or
 - (ii) is a Basel III Increased Cost.

- (b) In this Agreement **Increased Costs** means:

- (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or an Ancillary Commitment or funding or performing its obligations under any Finance Document.

15.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to clause 15.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrowers (or the Parent).
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

15.3 Exceptions

- (a) Clause 15.1 (*Increased costs*) does not apply to any Increased Cost which is:
- (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party; or
 - (iii) compensated for by clause 14.3 (*Tax indemnity*) (or would have been compensated for under clause 14.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of clause 14.3 (*Tax indemnity*) applied); or
 - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In paragraph (a) above, a reference to a Tax Deduction has the same meaning given to the term in clause 14.1 (*Definitions*).

16 Other indemnities

16.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a**Sum**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **First Currency**) in which that Sum is payable into another currency (the**Second Currency**) for the purpose of:

- (i) making or filing a claim or proof against that Obligor; and/or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall, as an independent obligation, within three Business Days of demand by a Finance Party, indemnify each Finance Party to whom that Sum is due against any Losses arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (ii) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

The Borrowers shall (or shall procure that another Obligor will), within three Business Days of demand by a Finance Party, indemnify each Finance Party and Sinosure against any and all Losses incurred by that Finance Party or Sinosure (as the case may be) as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any and all Losses arising as a result of clause 44 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in an Advance requested by the Borrowers in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone);
- (d) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrowers; or
- (e) under or pursuant to, a Sinosure Insurance Policy, including, without limitation, any additional premiums, cost or expense as provided for under a Sinosure Insurance Policy which Sinosure may charge, invoice or set-off against amounts owing to the Sinosure Agent or the Lenders, including, without limitation, as a result of a change of the delivery schedule of a Ship or otherwise properly incurred by the Sinosure Agent and/or the Lenders in connection with compliance with a Sinosure Insurance Policy.

16.3 Environmental Indemnity

The Borrowers shall (or shall procure that another Obligor will), within three (3) Business Days of demand by an Indemnified Person, indemnify each Indemnified Person against any and all Losses, joint or several that may be incurred by or asserted or awarded against any Indemnified Person, in each case arising out of or in connection with or relating to any claim investigation, litigation or proceeding (or the preparation of any defence with respect thereto) commenced or threatened in relation to an Environmental Claim made or asserted against such Indemnified

Person if such Environmental Claim would not have been, or been capable of being, made or asserted against such Indemnified Person if the Finance Parties or Sinosure had not entered into any of the Finance Documents or a Sinosure Insurance Policy and/or exercised any of their rights, powers and discretions thereby conferred and/or performed any of their obligations thereunder and/or been involved in any of the transactions contemplated by the Finance Documents or a Sinosure Insurance Policy. This indemnity shall apply whether or not such claims, investigation, litigation or proceedings is brought by any Obligor, any other Group Member, any of their shareholders, their Affiliates, or creditors, or an Indemnified Person or any other person, or an Indemnified Person is otherwise a party thereto, except to the extent such Losses are found in a final non-appealable judgement by a court of competent jurisdiction to have resulted from such Indemnified Person's gross negligence or wilful misconduct. Each Indemnified Person may enforce and enjoy the benefit of this clause 16.3 under the Third Parties Act.

16.4 Indemnity to the Agent, the Security Agent, the Sinosure Agent and Sinosure

The Borrowers shall promptly indemnify the Agent, the Security Agent, the Sinosure Agent and Sinosure against:

- (a) any and all Losses (together with any applicable VAT) incurred by the Agent, the Security Agent, the Sinosure Agent or Sinosure (acting reasonably) as a result of:
 - (i) without prejudice to clause 37.11 (*Rights and discretions of the Agent and the Security Agent*), investigating any event which it reasonably believes is a Default;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (iii) instructing lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts as permitted under the Finance Documents where, unless any of the circumstances in paragraphs (i), (ii) or (iv) apply or an Event of Default is continuing, such Losses are pre-approved by the Borrowers or the Parent on their behalf (such approval not to be unreasonably withheld or delayed); or
 - (iv) any action taken by the Agent, the Security Agent, the Sinosure Agent or Sinosure or any of their representatives, agents or contractors in connection with any powers conferred by any Security Document to enforce any Security Interest thereunder or to remedy any breach of any Obligor's obligations under the Finance Documents, and
- (b) any and all Losses (including, without limitation, in respect of liability for negligence or any other category of liability whatsoever) (together with any applicable VAT) incurred by the Agent, the Security Agent, the Sinosure Agent or Sinosure (otherwise than by reason of the Agent's, the Security Agent's, the Sinosure Agent's or Sinosure's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 45.10 (*Disruption to payment systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent or the Security Agent) in acting as Agent or the Security Agent under the Finance Documents.

16.5 Indemnity concerning security

- (a) The Borrowers shall (or shall procure that another Obligor will) promptly indemnify each Indemnified Person against any and all Losses (together with any applicable VAT) incurred by it as a result of:
 - (i) any failure by the Borrowers to comply with its obligations under clause 18(*Costs and expenses*) or any similar provision in any other Finance Document;

- (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (iii) the taking, holding, protection or enforcement of the Transaction Security;
 - (iv) the exercise or purported exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and/or any other Finance Party in whose favour any Security Document has been granted and each Receiver and each Delegate by the Finance Documents or by law (otherwise, in each case, than by reason of the relevant Security Agent's and/or other Finance Party's, Receiver's or Delegate's gross negligence or wilful misconduct);
 - (v) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;
 - (vi) any claim (whether relating to the environment or otherwise) made or asserted against the Indemnified Person which would not have arisen but for the execution or enforcement of one or more Finance Documents (unless and to the extent it is caused by the gross negligence or wilful misconduct of that Indemnified Person);
 - (vii) instructing lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts as permitted under the Finance Documents where, unless any of the circumstances in paragraphs (i) to (vi) or paragraph (viii) apply or an Event of Default is continuing, such Losses are pre-approved by the Borrowers or the Parent on their behalf (such approval not to be unreasonably withheld or delayed); or
 - (viii) (in the case of the Security Agent and/or any other Finance Party in whose favour any Security Document has been granted, any Receiver and any Delegate) acting as Security Agent and/or as holder of any of the Transaction Security, Receiver or Delegate under the Finance Documents or which otherwise relates to the Charged Property (otherwise, in each case, than by reason of the relevant Security Agent's and/or other Finance Party's, Receiver's or Delegate's gross negligence or wilful misconduct).
- (b) The Security Agent may, in priority to any payment to the other Finance Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 16.5 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

16.6 Continuation of indemnities

The indemnities by the Borrowers in favour of any Indemnified Persons contained in this Agreement shall continue in full force and effect notwithstanding any breach by any Finance Party or any of the Borrowers of the terms of this Agreement, the repayment or prepayment of the Loan, the cancellation of the Total Commitments or the repudiation by any Finance Party or the Borrowers of this Agreement.

16.7 Third Parties Act

- (a) Each Indemnified Person may rely on the terms of clause 16.5 (*Indemnity concerning security*) and clauses 14 (*Tax gross-up and indemnities*) and 16.8 (*Interest*) insofar as it relates to interest on, or the calculation of, any amount demanded by that Indemnified Person under clause 16.5 (*Indemnity concerning security*), subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (b) Where an Indemnified Person (other than a Finance Party) (the **Relevant Beneficiary**) who is:

- (i) appointed by a Finance Party under the Finance Documents;
- (ii) an Affiliate of any such person or that Finance Party;
or
- (iii) an officer, director, employee, adviser, representative or agent of any of the above persons or that Finance Party,

is entitled to receive any amount (a **Third Party Claim**) under any of the provisions referred to in paragraph (a) above:

- (A) the Borrowers shall at the same time as the relevant Third Party Claim is due to the Relevant Beneficiary pay to that Finance Party a sum in the amount of that Third Party Claim;
- (B) payment of such sum to that Finance Party shall, to the extent of that payment, satisfy the corresponding obligations of the Borrowers to pay the Third Party Claim to the Relevant Beneficiary; and
- (C) if the Borrowers pay the Third Party Claim direct to the Relevant Beneficiary, such payment shall, to the extent of that payment, satisfy the corresponding obligations of the Borrowers to that Finance Party under sub-paragraph (A) above.

16.8 Interest

Moneys becoming due by the Borrowers to any Indemnified Person under the indemnities contained in this clause 16 (*Other indemnities*) or elsewhere in this Agreement shall be paid on demand made by such Indemnified Person and shall be paid together with interest on the sum demanded from the date of demand therefor to the date of reimbursement by the Borrowers to such Indemnified Person (both before and after judgment) at the rate referred to in clause 10.4 (*Default interest*).

16.9 Exclusion of liability

Without prejudice to any other provision of the Finance Documents excluding or limiting the liability of any Indemnified Person, no Indemnified Person will be in any way liable or responsible to any Obligor (whether as mortgagee in possession or otherwise) who is a Party or is a party to a Finance Document to which this clause applies for any loss or liability arising from any act, default, omission or misconduct of that Indemnified Person, except to the extent caused by its own gross negligence or wilful misconduct. Any Indemnified Person may rely on this clause 16.9 subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

17 Mitigation by the Lenders

17.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrowers, take all reasonable steps to mitigate any circumstances which arise and which would result in the Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 8.1 (*Illegality*), clause 14 (*Tax gross-up and indemnities*) or clause 15 (*Increased costs*) including (but not limited to) assigning its rights under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

17.2 Limitation of liability

- (a) The Borrowers shall promptly indemnify each Finance Party for all costs and expenses incurred by that Finance Party as a result of steps taken by it under clause 17.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18 Costs and expenses

18.1 Transaction expenses

The Borrowers shall, promptly on demand and in any event within 5 Business Days, pay the Agent, the Security Agent, the Arrangers, the Sinosure Agent and Sinosure the amount of all costs and expenses pre-approved by the Borrowers or the Parent on their behalf (such approval not to be unreasonably withheld or delayed) (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication, registration and perfection and any release, discharge or reassignment of:

- (a) this Agreement, the Hedging Master Agreements and any other documents referred to in this Agreement, the Security Documents and each Sinosure Insurance Policy;
- (b) any other Finance Documents executed or proposed to be executed after the date of this Agreement including any executed to provide additional security under clause 28 (*Minimum security value*); or
- (c) any Security Interest expressed or intended to be granted by a Finance Document,

whether or not the transactions contemplated under the Finance Documents are consummated.

18.2 Amendment costs

If:

- (a) an Obligor requests an amendment, waiver or consent;
- (b) any amendment or waiver is contemplated or agreed pursuant to clause 51.5 (*Replacement of Screen Rate*); or
- (c) an amendment is required pursuant to clause 45.9 (*Change of currency*),

the Borrowers shall, within three Business Days of demand by the Agent, the Security Agent or Sinosure reimburse the Agent or the Security Agent (or, in the case of a demand by Sinosure, the Sinosure Agent), for the amount of all reasonably incurred and documented costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by the Agent, the Security Agent, the Sinosure Agent or Sinosure (and by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 Agent's and Security Agent's management time and additional remuneration

- (a) Following the occurrence of an Event of Default that is continuing, any amount payable to the Agent or the Security Agent under clause 16.4 (*Indemnity to the Agent, the Security Agent, the Sinosure Agent and Sinosure*), clause 16.5 (*Indemnity concerning security*), clause 18 (*Costs and expenses*) or clause 37.15 (*Lenders' indemnity to the Agent and*

others) shall include the cost of utilising the Agent's or (as the case may be) the Security Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent or (as the case may be) the Security Agent may notify to the Borrowers and the other Finance Parties, and is in addition to any other fee paid or payable to the Agent or the Security Agent.

- (b) Without prejudice to paragraph (a) above, in the event of:
- (i) an Event of Default;
 - (ii) the Agent or the Security Agent being requested by an Obligor or the other Finance Parties to undertake duties which the Agent or (as the case may be) the Security Agent and the Borrowers agree to be of an exceptional nature or outside the scope of the normal duties of the Agent or (as the case may be) the Security Agent under the Finance Documents; or
 - (iii) the Agent or (as the case may be) the Security Agent and the Borrowers agreeing that it is otherwise appropriate in the circumstances,
- the Borrowers shall pay to the Agent or (as the case may be) the Security Agent any additional remuneration that may be agreed between them or determined pursuant to paragraph (c) below.
- (c) If the Agent or (as the case may be) the Security Agent and the Borrowers fail to agree upon the nature of the duties, or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Agent or (as the case may be) the Security Agent and approved by the Borrowers or, failing approval, nominated (on the application of the Agent or (as the case may be) the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrowers) and the determination of any investment bank shall be final and binding upon the Parties.

18.4 Enforcement, preservation and other costs

- (a) The Borrowers shall, on demand by a Finance Party or Sinosure, pay to each Finance Party and Sinosure the amount of all costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by that Finance Party or Sinosure in connection with the enforcement of, or the preservation of any rights under, any Finance Document, any Sinosure Insurance Policy and any Transaction Security and any proceedings instituted by or against any Indemnified Person as a consequence of taking or holding the Security Documents or any Sinosure Insurance Policy or enforcing those rights.
- (b) The Borrowers shall, on demand by the Agent, pay to the Agent the amount of all costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by the Agent in connection with:
 - (i) any valuation carried out under clause 28 (*Minimum security value*) to the extent that the costs of such valuation is payable by the Borrowers pursuant to clause 28 (*Minimum security value*); or
 - (ii) any inspection carried out under clause 26.9 (*Inspection and notice of dry-docking*) provided that if no Event of Default is continuing the Borrowers shall not pay the costs of more than one such inspection per calendar year.

Section 7 - Guarantee

19 Guarantee and indemnity

19.1 Guarantee and indemnity

Each Guarantor hereby irrevocably and unconditionally and jointly and severally with each of the other Guarantors:

- (a) guarantees to the Security Agent (as trustee for the Finance Parties) and the other Finance Parties punctual performance by each other Obligor of all such Obligor's obligations under the Finance Documents;
- (b) undertakes with the Security Agent (as trustee for the Finance Parties) and the other Finance Parties that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with the Security Agent (as trustee for the Finance Parties) and the other Finance Parties that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation indemnify each Finance Party immediately on demand against any cost, loss or liability it incurs as a result of another Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by such Obligor under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this clause 19.1 if the amount claimed had been recoverable on the basis of a guarantee.

19.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this clause 19 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.4 Waiver of defences

The obligations of each Guarantor under this clause 19 will not be affected by an act, omission, matter or thing (whether or not known to it or any Finance Party) which, but for this clause 19, would reduce, release or prejudice any of its obligations under this clause 19 including (without limitation):

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
 - (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any other Obligor;
 - (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
-

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (g) any law or regulation of any jurisdiction or any other event affecting any term of the guaranteed obligations;
- (h) any other circumstance that might constitute a defence of any Guarantor;
or
- (i) any insolvency or similar proceedings.

19.5 Guarantor intent

Without prejudice to the generality of clause 19.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents.

19.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this clause 19. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this clause 19.

19.8 Deferral of Guarantors' rights

(a) Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this clause 19:

- (i) to be indemnified by another Obligor;
- (ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
 - (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under clause 19 (*Guarantee and indemnity*);
 - (v) to exercise any right of set-off against any other Obligor;
and/or
 - (vi) to claim or prove as a creditor of any other Obligor in competition with any Finance Party.
- (b) If a Guarantor receives any benefit, payment or distribution in relation to such rights it will promptly pay an equal amount to the Agent for application in accordance with clause 45 (*Payment mechanics*). This only applies until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full.

19.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

19.10 Amendments and waivers in writing

No waivers by any Finance Party or amendments to, of, or in connection with, the provisions of the Guarantee may be made unless they are made in writing by the Parties and with the prior written consent of all the Lenders and Sinusure.

19.11 Guarantors' rights and obligations

- (a) The obligations of each Guarantor under the Guarantee and under this Agreement are joint and several. Failure by a Guarantor to perform its obligations under the Guarantee and/or this Agreement shall constitute a failure by all of the Guarantors.
- (b) Each Guarantor irrevocably and unconditionally jointly and severally with each other Guarantor:
 - (i) agrees that it is responsible for the performance of the obligations of each other Guarantor under the Guarantee and this Agreement;
 - (ii) acknowledges and agrees that it is a principal and original debtor in respect of all amounts due from the Guarantors under the Guarantee and under this Agreement; and
 - (iii) agrees with each Finance Party that, if any obligation of any other Guarantor under the Guarantee and this Agreement is or becomes unenforceable, invalid or illegal for any reason it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any and all Losses it incurs as a result of that Guarantor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by such Guarantor under the Guarantee and/or this Agreement. The amount payable under this indemnity shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.
- (c) The obligations of each Guarantor under the Finance Documents shall continue until all amounts which may be or become payable by the Guarantors under or in connection with the Finance Documents have been irrevocably and unconditionally paid or discharged in full, regardless of any intermediate payment or discharge in whole or in part.

- (d) In no event shall any of the Guarantors have any right to claim or demand proceeds under any Sinosure Insurance Policy, whether on the basis that it has performed its obligations under the Guarantee and this Agreement and has acquired by way of subrogation the respective rights of the Borrowers or the Lenders or any of them against Sinosure, or otherwise.

19.12 Operational subordination

For so long as a Guarantor is also the Bareboat Charterer and/or a Manager of a Mortgaged Ship, the relevant Guarantor further agrees and undertakes in relation to each relevant Mortgaged Ship, the relevant Bareboat Charter and any Management Agreement to which such Guarantor is a party, throughout such Ship's Mortgage Period (and references below to "the Ship" shall be deemed to mean each such Mortgaged Ship):

- (a) that any Management Agreement or Bareboat Charter and such Guarantor's rights under it will be fully subordinate to the rights of the Finance Parties under the Finance Documents;
- (b) not to make a claim under or in connection with any Management Agreement or Bareboat Charter for the Ship which could result in the Ship being arrested, detained or sold;
- (c) not to take any other action in relation to the Ship which could interfere with:
 - (i) any Finance Party's rights or powers pursuant to any of the Transaction Security;
 - (ii) any claims by any Finance Party against the proceeds of any sale of the Ship;
 - (iii) the exercise of any right or power any Finance Party has to sell the Ship, whether pursuant to the Mortgage or otherwise; or
 - (iv) any sale of the Ship by an Owner with the Majority Lenders' approval or at their direction where the Mortgage has become enforceable;
- (d) to waive any such right that the relevant Guarantor might otherwise have had to make any such claims and not to make any claim against any Finance Party in respect of any interference with the relevant Guarantor's rights under any Management Agreement or Bareboat Charter for the Ship resulting from the exercise of any Finance Party's rights under the Finance Documents;
- (e) not to exercise any lien such Guarantor has on the Ship in priority to or in competition with the Finance Parties' rights under the Mortgage;
- (f) that despite the terms of any Management Agreement or Bareboat Charter for the Ship, if a Finance Party becomes entitled to enforce the Mortgage over the Ship, the Security Agent (acting on the instructions of the Majority Lenders) may terminate any Management Agreement or Bareboat Charter for the Ship by way of written notice and the relevant Guarantor will not have any claim for any resulting loss;
- (g) not to compete with any Finance Party in the liquidation, winding-up or other dissolution of any person liable to the Finance Parties under any of the Finance Documents;
- (h) not to demand or accept payment of any moneys due in respect of the management of the Ship at a time where any Transaction Security has become enforceable;
- (i) not to appoint a sub-manager of the Ship without the approval of the Majority Lenders and to procure that any sub-manager so approved will provide a Manager's Undertaking or equivalent;
- (j) to promptly notify the Agent if any amounts are owing to the relevant Guarantor under any Management Agreement or Bareboat Charter for the Ship for more than 10 days after the period agreed for payment; and

- (k) to give the Agent such information about the Ship and its management and any amounts owing to the relevant Guarantor under any Management Agreement or Bareboat Charter for the Ship as the Agent (acting on the instructions of the Majority Lenders) may from time to time request.

Section 8 - Representations, Undertakings and Events of Default

20 Representations

20.1 Each Obligor who is a Party makes and repeats the representations and warranties set out in this clause 20 to each Finance Party at the times specified in clause 20.3~~Times when representations are made~~).

20.2 Status

- (a) Each Obligor is a company or corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.
- (b) Each Obligor and each other Group Member has power and authority to own its assets and to carry on its business as it is now being conducted.

20.3 Binding obligations

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by each Obligor in each Finance Document to which it is, or is to be, a party are or, when entered into by it, will be legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above) each Security Document to which an Obligor is, or will be, a party, creates or will create the Security Interests which that Security Document purports to create and those Security Interests are or will be valid and effective.

20.4 Non-conflict

The entry into and performance by each Obligor of, and the transactions contemplated by the Finance Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to any Obligor;
- (b) the Constitutional Documents of any Obligor or any other Group Member; or
- (c) any material agreement or other material instrument binding upon any Obligor or any other Group Member or its or any other Group Member's assets

or constitute a default or termination event (however described) under any such material agreement or material instrument or result in the creation of any Security Interest (save for a Permitted Maritime Lien or under a Security Document) on any Obligor's or any other Group Member's assets, rights or revenues.

20.5 Power and authority

- (a) Each Obligor has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, each Finance Document to which it is, or is to be, a party and each of the transactions contemplated by those documents.
- (b) No limitation on any Obligor's powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Finance Document to which such Obligor is, or is to be, a party.

20.6 Validity and admissibility in evidence

- (a) All Authorisations required or desirable:

- (i) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations under each Finance Document to which it is a party;
- (ii) to make each Finance Document to which it is a party admissible in evidence in its Relevant Jurisdictions;
and
- (iii) to ensure that the Transaction Security has the priority and ranking contemplated by the Security Documents,

have been obtained or effected and are in full force and effect except any Authorisation or filing referred to in clause 20.14(*No filing or stamp taxes*), which Authorisation or filing will be promptly obtained or effected within any applicable period.

- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of each Obligor and each other Group Member have been obtained or effected and are in full force and effect if failure to obtain or effect those Authorisations is reasonably likely to have a Material Adverse Effect.

20.7 Governing law and enforcement

- (a) Subject to the Legal Reservations, the choice of governing law of any Finance Document will be recognised and enforced in each Obligor's Relevant Jurisdictions.
- (b) Subject to the Legal Reservations, any judgment obtained in relation to any Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in each Obligor's Relevant Jurisdictions.

20.8 No misleading information

- (a) Any factual information contained in the Information Package is true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.
- (b) Any financial projection or forecast contained in the Information Package and any budget provided pursuant to clause 21.6 *Budget*) have been prepared on the basis of recent historical information and on the basis of reasonable assumptions and were fair (as at the date of the relevant report or document containing the projection or forecast or of the relevant budget) and arrived at after careful consideration.
- (c) The expressions of opinion or intention provided by or on behalf of an Obligor for the purposes of the Information Package were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were fair and based on reasonable grounds.
- (d) No event or circumstance has occurred or arisen and no information has been omitted from the Information Package and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the Information Package being untrue or misleading in any material respect.
- (e) All other written information provided by any Group Member (including its advisers) to a Finance Party was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any material respect.
- (f) For the purposes of this clause 20.8, **Information Package** means any written information (other than Green Loan Information) provided by any Obligor or any other Group Member to any of the Finance Parties in connection with the Transaction Documents or the transactions referred to in them (including any information memorandum).
- (g) All Green Loan Information was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.

20.9 Original Financial Statements

- (a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) The audited Original Financial Statements give a true and fair view of the financial condition as at the end of the relevant Financial Year and the results of operations of the relevant Obligors (consolidated in the case of the Parent) during the relevant Financial Year.
- (c) The unaudited Original Financial Statements fairly present the financial condition as at the end of the relevant financial half year and the results of operations of the relevant Obligors and the Group (consolidated in the case of the Parent) during the relevant financial half year.
- (d) There has been no material adverse change in the assets, business or financial condition or operations of any Obligor (or the assets, business or operations or consolidated financial condition of the Group, in the case of the Parent) since the date of the Original Financial Statements.

20.10 Pari passu ranking

Each Obligor's payment obligations under the Finance Documents to which it is, or is to be, a party rank at least pari passu with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

20.11 Ranking and effectiveness of security

Subject to the Legal Reservations and any filing, registration or notice requirements which is referred to in any Legal Opinion:

- (a) the Transaction Security has (or will have when the relevant Security Documents have been executed) the priority which it is expressed to have in the Security Documents;
- (b) the Charged Property is not subject to any Security Interest other than Permitted Security Interests; and
- (c) the Transaction Security will constitute perfected security on the assets described in the Security Documents.

20.12 Ownership of Charged Property

Each Obligor is the sole legal and beneficial owner of the Charged Property over which it purports to grant a Security Interest under the Security Documents.

20.13 No insolvency

No corporate action, legal proceeding or other procedure or step described in clause 33.9 (*Insolvency proceedings*) or creditors' process described in clause 33.10 (*Creditors' process*) has been taken or, to the knowledge of any Obligor, threatened in relation to a Group Member and none of the circumstances described in clause 33.8 (*Insolvency*) applies to any Group Member.

20.14 No filing or stamp taxes

Under the laws of each Obligor's Relevant Jurisdictions it is not necessary that any Finance Document to which it is, or is to be, party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to any such Finance Document or the transactions contemplated by the Finance Documents except for any filing, recording or enrolling or any tax (including stamp duty) or fee payable in relation to any Finance Document which is referred to in any Legal Opinion and which will be made or paid promptly after the date of the relevant Finance Document and prior to

the deadline set out in section 90 of the Cyprus Companies Law, Cap. 113 in the case of the Transaction Security which should be registered at the Cyprus Companies Registry.

20.15 Deduction of Tax

No Obligor is required to make any Tax Deduction (as defined in clause 14.1(*Definitions*)) from any payment it may make under any Finance Document to which it is, or is to be, a party and no other party is required to make any such deduction from any payment it may make under any other Finance Document.

20.16 Tax compliance

- (a) No Obligor or other Group Member is materially overdue in the filing of any Tax returns or overdue in the payment of any amount in respect of Tax.
- (b) No claims or investigations are being, or are reasonably likely to be, made or conducted against any Obligor or other Group Member with respect to Taxes such that a liability of, or claim against, any Obligor or other Group Member is reasonably likely to arise for an amount for which adequate reserves have not been provided in the Original Financial Statements and which is reasonably likely to have a Material Adverse Effect.

(c) Each Obligor is resident for Tax purposes only in its Original Jurisdiction.

20.17 Other Tax matters

The execution or delivery or performance by any Party of the Finance Documents will not result in any Finance Party:

- (a) having any liability in respect of Tax in any Flag State;
- (b) having or being deemed to have a place of business in any Flag State or any Relevant Jurisdiction of any Obligor.

20.18 No Default

- (a) No Default is continuing or might reasonably be expected to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on any Obligor or any other Group Member or to which any Obligor's (or any other Group Member's) assets are subject which is reasonably likely to have a Material Adverse Effect.

20.19 No proceedings

- (a) No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which is reasonably likely to have a Material Adverse Effect has or have (to the best of any Obligor's knowledge and belief (having made due and careful enquiry)) been started or threatened against any Obligor or any other Group Member.
- (b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is reasonably likely to have a Material Adverse Effect has (to the best of any Obligor's knowledge and belief (having made due and careful enquiry)) been made against any Obligor or any other Group Member.

20.20 No breach of laws

- (a) No Obligor or other Group Member has breached any law or regulation which breach is reasonably likely to have a Material Adverse Effect.
- (b) No labour dispute is current or, to the best of any Obligor's knowledge and belief (having made due and careful enquiry), threatened against any Obligor which is reasonably likely to have a Material Adverse Effect.

20.21 Environmental matters

- (a) No Environmental Law applicable to any Fleet Vessel and/or any Obligor or other Group Member has been violated in a manner or to an extent which might have, a Material Adverse Effect.
- (b) All consents, licences and approvals required under such Environmental Laws have been obtained and are currently in force where failure to obtain any of these is reasonably likely to have a Material Adverse Effect.
- (c) No Environmental Claim has been made or, to the best of any Obligor's knowledge and belief (having made due and careful enquiry), is threatened or pending against any Group Member or any Fleet Vessel where that claim is reasonably likely to have a Material Adverse Effect and there has been no Environmental Incident which has given, or might give, rise to such a claim.

20.22 Anti-bribery, anti-corruption and anti-money laundering laws

- (a) Each Group Member has conducted its businesses in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.
- (b) Without limiting the generality of paragraph (a) above, no Group Member has engaged in any activity or conduct which violates any applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations and rules in any applicable jurisdiction.

20.23 Security and Financial Indebtedness

- (a) No Security Interest exists over all or any of the present or future assets of any Obligor or other Group Member in breach of this Agreement.
- (b) No Obligor or other Group Member has any Financial Indebtedness outstanding in breach of this Agreement.

20.24 Shares

- (a) The shares of each Owner are fully paid and not subject to any option to purchase or similar rights.
- (b) The Constitutional Documents of each Owner do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Security Documents.
- (c) There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of each Owner (including any option or right of pre-emption or conversion).

20.25 Ownership of Obligors

Each Obligor (other than the Parent) is a direct or indirect wholly owned Subsidiary of the Parent (with the exception of a Bareboat Charterer under a JV Bareboat Charter which is a direct or indirect Subsidiary of the Parent).

20.26 No Change of Control

There has not been a Change of Control.

20.27 Accounting Reference Date

The Financial Year-end of each Obligor and other Group Member is the Accounting Reference Date.

20.28 No adverse consequences

- (a) It is not necessary under the laws of the Relevant Jurisdictions of any Obligor:
- (i) in order to enable any Finance Party to enforce its rights under any Finance Document to which it is, or is to be, a party;
or
 - (ii) by reason of the execution of any Finance Document or the performance by any Obligor of its obligations under any Finance Document,
that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any of such Relevant Jurisdictions.
- (b) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in any Relevant Jurisdiction of any Obligor by reason only of the execution, performance and/or enforcement of any Finance Document.

20.29 Copies of documents

The copies of those Transaction Documents which are not Finance Documents and the Constitutional Documents of the Obligors delivered to the Agent under clause 4(*Conditions of Utilisation*) will be true, complete and accurate copies of such documents and include all amendments and supplements to them as at the time of such delivery and no other agreements or arrangements exist between any of the parties to those Transaction Documents which would materially affect the transactions or arrangements contemplated by them or modify or release the obligations of any party under them.

20.30 Sinosure Insurance Policies

No Obligor has done or omitted to do anything, and to each Obligor's knowledge no event or circumstance has occurred, which has made or could make any Sinosure Insurance Policy void or voidable and no Obligor has received any notification that the liability of Sinosure under any Sinosure Insurance Policy has been reduced or avoided.

20.31 Breach, etc. of any Building Contract Document

No Obligor nor (so far as the Obligors are aware) any other person is in breach of any Building Contract Document to which it is a party nor has anything occurred which entitles or may entitle any party to rescind or terminate it or decline to perform their obligations under it or which would render it illegal, invalid or unenforceable.

20.32 No breach of charters

No Obligor is in breach of any Bareboat Charter to which it is a party nor has anything occurred which entitles or which may entitle any party to rescind or terminate it or decline to perform their obligations under it.

20.33 No immunity

No Obligor or any of its assets is immune to any legal action or proceeding.

20.34 Sanctions

- (a) No Obligor, no other Group Member nor any of their respective directors, officers or, so far as each Obligor is aware, none of their employees:
- (i) is a Restricted Party;
 - (ii) is in breach of Sanctions;
 - (iii) owns or controls a Restricted Party;
 - (iv) is currently engaging in any transaction, activity or conduct which is reasonably likely to result in a violation of Sanctions or
 - (v) is, to its knowledge subject to, involved in or has received notice of any complaint, claim, action, suit, proceedings, formal notice, investigation or other action by any regulatory or enforcement authority or any Sanctions Authority.
- (b) Each Obligor has implemented and maintains a Sanctions compliance policy or equivalent which, in accordance with the recommendations of the Sanctions Advisory, is designed to ensure compliance by that Obligor, each Group Member and their respective directors, officers, employees and agents with Sanctions. Each Obligor, each Group Member and their respective directors, officers and, to the knowledge of that Obligor, its employees, are in compliance with Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in such Obligor being designated as a Restricted Party. Without limitation on the foregoing, such Sanctions compliance policy shall procure that each Obligor, each Group Member and their respective directors, officers, employees and agents shall, where applicable:
- (i) conduct their activities in a manner compliant with Sanctions;
 - (ii) have sufficient resources in place to ensure execution of and compliance with their own Sanctions policies by their personnel, including but not limited to direct hires, contractors, and staff;
 - (iii) ensure Subsidiaries and Affiliates comply with the relevant policies, as applicable;
 - (iv) have relevant controls in place to monitor automatic identification system (AIS) transponders;
 - (v) have controls in place to screen and assess onboarding or offloading cargo in areas they determine to present a high risk;
 - (vi) have controls to assess authenticity of bills of lading, as necessary; and
 - (vii) have controls in place consistent with the Sanctions Advisory.

20.35 Ship status

Each Ship will on the first day of the relevant Mortgage Period be:

- (a) registered in the name of the relevant Owner through the relevant Registry as a ship under the laws and flag of the relevant Flag State;
- (b) operationally seaworthy and fit for service in all material respects;
- (c) classed with the relevant Classification as required under this Agreement free of any overdue requirements and recommendations of the relevant Classification Society affecting class; and

- (d) insured in the manner required by the Finance Documents.

20.36 Ship's employment

Each Ship shall on the first day of the relevant Mortgage Period be free of any charter commitment under a Charter which, if entered into after that date, would require approval under the Finance Documents.

20.37 Address commission

There are no rebates, commissions or other payments to the Builder or the Obligors in connection with any Building Contract Document other than those referred to in it.

20.38 Times when representations are made

- (a) All of the representations and warranties set out in this clause 20 (other than Ship Representations, the representation in paragraph (g) of clause 20.8 *No misleading information*), and the representations set out in clauses 20.14 *No filing or stamp taxes* to 20.17 *Other Tax matters* and clause 20.28 *No adverse consequences*) are deemed to be made on the dates of:
 - (i) this Agreement;
 - (ii) the first Utilisation Request; and
 - (iii) the first Utilisation.
- (b) The Repeating Representations are deemed to be made on the dates of each subsequent Utilisation Request and each subsequent Utilisation Date and the first day of each Interest Period.
- (c) The representation in clause 20.34 *Sanctions* is deemed to be made on the date of any subsequent Utilisation Request and any subsequent Utilisation Date.
- (d) All the representations and warranties in this clause 20 except clause 20.8 *No misleading information* are deemed to be made by each Additional Guarantor on the day on which it becomes (and on the date it is proposed that it becomes) an Additional Guarantor.
- (e) All of the Ship Representations in relation to a Ship are deemed to be made on the first day of the Mortgage Period for the relevant Ship.
- (f) The representation in paragraph (g) of clause 20.8 *No misleading information* is deemed to be made by each Obligor on the date of each Green Loan Compliance Certificate.
- (g) The representations set out in clauses 20.14 *No filing or stamp taxes* to 20.17 *Other Tax matters* and clause 20.28 *No adverse consequences* shall be made on the date of this Agreement and in accordance with paragraph (d) above.
- (h) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

21 Information undertakings

21.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 21 will be complied with throughout the Facility Period.

21.2 Interpretation

In this clause 21:

Annual Financial Statements means each of the audited consolidated financial statements for a Financial Year of the Parent delivered pursuant to paragraph (a) of clause 21.3 (*Financial statements*).

Semi-Annual Financial Statements means each of the consolidated financial statements for the first half year of the Financial Year of the Parent delivered pursuant to paragraph (b) of clause 21.3 (*Financial statements*).

21.3 Financial statements

- (a) The Obligors shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) and the Agent shall supply to the Lenders and to the Sinosure Agent (who will supply to Sinosure) as soon as the same become available, but in any event:
 - (i) within 120 days after the end of each Financial Year, the audited consolidated financial statements of the Parent for that Financial Year; and
 - (ii) within 180 days after the end of each Financial Year, the audited financial statements of each Borrower for that Financial Year.
- (b) The Obligors shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) and the Agent shall supply to the Lenders and to the Sinosure Agent (who will supply to Sinosure) as soon as the same become available, but in any event within 90 days after the end of the first half year of each of its Financial Year (namely each six month period ending on 30 June of a Financial Year) the unaudited consolidated financial statements of the Parent for that financial half year.

21.4 Provision and contents of Compliance Certificate

- (a) The Obligors shall supply to the Agent and the Agent shall supply to each Lender and Sinosure, a Compliance Certificate, with each set of Annual Financial Statements and Semi-Annual Financial Statements.
- (b) Each Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations as to compliance with clause 22 (*Financial Covenants*).
- (c) Each Compliance Certificate shall be signed by the chief executive officer or chief financial officer of the Parent.

21.5 Requirements as to financial statements

- (a) The Borrowers shall procure that each set of financial statements delivered pursuant to clause 21.3 (*Financial statements*) includes a profit and loss account, a balance sheet and a cashflow statement and that, in addition, each set of such annual financial statements shall be audited by the Auditors.
- (b) Each set of financial statements delivered pursuant to clause 21.3 (*Financial statements*) shall:
 - (i) be certified by a director of the relevant company as fairly presenting, its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the annual financial statements, shall be accompanied by any letter addressed to the management of the relevant company by the Auditors and accompanying those financial statements; and

- (ii) in the case of audited annual financial statements, not be the subject of any material qualification in the Auditors' opinion.
- (c) The Parent shall procure that each set of financial statements delivered pursuant to clause 21.3(*Financial statements*) shall be prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements, unless, in relation to any set of financial statements, the Parent notifies the Agent that there has been a change in GAAP or the accounting practices and the Auditors deliver to the Agent:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP or accounting practices and reference periods upon which corresponding Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether clause 22(*Financial covenants*) has been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.
- (d) Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

21.6 Budget

- (a) Subject to paragraph (d) below, the Parent shall supply to the Agent, as soon as the same become available but in any event before the start of each of its Financial Years, an electronic copy of its preliminary annual budget for that Financial Year. Such budget will be for preliminary information purposes only and will not have been reviewed and/or approved by the Parent's board of directors. The Parent shall immediately upon the release of its annual report and final budget for the relevant Financial Year supply the Agent with the final budget as approved by its board of directors.
- (b) Subject to paragraph (d) below, the Parent shall ensure that each preliminary budget for a Financial Year:
 - (i) is in a form reasonably acceptable to the Agent and includes:
 - (A) a projected consolidation profit and loss balance sheet and cashflow projections and a cashflow statement for the Group;
 - (B) projected financial covenant calculations; and
 - (C) any other information reasonably requested by any Lender or Sinosure;for that Financial Year and itemised for each calendar month of that Financial Year;
 - (ii) is prepared in accordance with GAAP and the accounting practices and financial reference periods applied to financial statements under clause 21.3(*financial statements*); and
 - (iii) has been approved by the board of directors of the Parent.
- (c) Subject to paragraph (d) below, if the Parent updates or changes the budget, it shall within not more than 5 days of the update or change being made deliver to the Agent in sufficient copies each of the Lenders, such updated or changed budget together with a written explanation of the main changes in that budget.

- (d) Notwithstanding paragraphs (a) to (c) above, the Parent shall only be obliged to supply the Agent with a preliminary budget where such obligation will not (A) be in breach of (i) applicable market abuse regulations and/or (ii) the Danish Financial Supervisory Authority's or other relevant authority's interpretation of guidance requirements for listed companies and/or (B) require the Parent to make a public disclosure under applicable market abuse regulation and/or the Danish Financial Supervisory Authority's or other relevant authority's interpretation of disclosure on guidance.

21.7 Presentations

Once in every Financial Year, or more frequently if requested to do so by the Agent if the Agent reasonably suspects a Default is continuing or may have occurred or may occur, the Obligors shall procure that at least two directors of the Parent (one of whom shall be the chief financial officer) give a presentation to the Finance Parties and Sinosure about the on-going business and financial performance of the Group and any other matter which a Finance Party or Sinosure may reasonably request.

21.8 Year-end

The Borrowers shall procure that each Financial Year-end of each Obligor and each Group Member falls on the Accounting Reference Date.

21.9 Information: miscellaneous

The Borrowers shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests and Sinosure):

- (a) at the same time as they are dispatched, copies of all documents dispatched by the Parent to its shareholders generally (or any class of them) or dispatched by the Parent or any Obligors to its creditors generally (or any class of them);
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any Group Member, and which, if adversely determined, might reasonably be expected to have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any Group Member and which is reasonably likely to have a Material Adverse Effect;
- (d) promptly, such information as the Agent or the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Security Documents;
- (e) promptly following a request, such further information regarding the financial condition, assets and operations of the Group and/or any Group Member as any Finance Party through the Agent may reasonably request and which can be delivered without breach of any legally binding confidentiality restrictions and/or applicable market abuse regulations on the part of an Obligor;
- (f) promptly, such further information as may be required by any banking supervisory laws and regulations applicable to any Lender and/or as is in line with standard banking practice and which can be delivered without breach of any applicable market abuse regulations and/or, in the case of copies of a charter commitment or a summary of the terms of a charter commitment, legally binding confidentiality restrictions, on the part of an Obligor; and
- (g) promptly upon becoming aware of the same, and the Borrowers shall procure that each other Obligor and each Group Member shall supply to the Agent (promptly upon becoming aware

of the same), details of any claim, action, suit, proceedings or investigation against it in respect of Sanctions.

21.10 Notification of Default

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon any Obligor becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Borrowers shall supply to the Agent a certificate signed by two of its directors or senior officers of the Parent on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

21.11 Sufficient copies

The Borrowers, if so requested by the Agent, shall deliver sufficient copies of each document to be supplied under the Finance Documents to the Agent to distribute to each of the Lenders and the Hedging Providers.

21.12 Direct electronic delivery by the Borrowers

The Borrowers may satisfy their obligation under this Agreement to deliver any information in relation to a Lender or to Sinosure by delivering that information directly to that Lender or Sinosure, as the case may be, in accordance with clause 47.5 (*Electronic communication*) to the extent that Lender and the Agent agree to this method of delivery.

21.13 "Know your customer" checks

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor (or of a Holding Company of an Obligor) or the composition of the shareholders of an Obligor (or of a Holding Company of an Obligor) after the date of this Agreement;
 - (iii) any internal policy of a Finance Party;
or
 - (iv) a proposed assignment by a Lender or a Hedging Provider of any of its rights under this Agreement or any Hedging Contract to a party that is not already a Lender or a Hedging Provider prior to such assignment,

obliges the Agent, the Security Agent, or the relevant Hedging Provider or any Lender (or, in the case of paragraph (iv) above, any prospective new Lender or the Security Agent) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it (or, where such information is not sufficiently up-to-date for the purpose of compliance with any banking supervisory laws applicable to any Lender and/or standard banking practices), each Obligor shall promptly upon the request of the Agent, the Security Agent, any Lender or any Hedging Provider, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender, the Security Agent or any Hedging Provider) or any Lender, the Security Agent or any Hedging Provider (for itself or, in the case of the event described in paragraph (iv) above, on behalf of any prospective new Lender or Hedging Provider) in order for the Agent, the Security Agent, such Lender or any Hedging Provider or, in the case of the event described in paragraph (iv) above, any prospective new Lender or Hedging Provider to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks

under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Finance Party shall, promptly upon the request of the Agent, the Security Agent, any Lender or Sinosure, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent, the Security Agent, any Lender or Sinosure (for itself) in order for it to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) If the accession of such Additional Guarantor obliges the Agent, any Lender or any Hedging Provider to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Parent shall promptly upon the request of the Agent, any Lender or any Hedging Provider supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) or any Hedging Provider in order for the Agent, such Lender or Hedging Provider or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Guarantor.

21.14 Sinosure notification and information

The Borrowers (or the Parent on their behalf) shall promptly:

- (a) notify the Agent (and the Agent shall notify the Sinosure Agent and each Lender) forthwith by facsimile thereafter confirmed by letter of the occurrence of any political or commercial risk covered by any Sinosure Insurance Policy; and
- (b) provide the Agent (and the Agent shall provide the Sinosure Agent and each Lender) with copies of all financial or other information required by the Agent to satisfy any request for information by Sinosure pursuant to any Sinosure Insurance Policy.

21.15 Building Contract Documents

The Borrowers shall promptly provide to the Agent such information that the Agent may reasonably request in relation to the Building Contract Documents, the progress and status of construction of the Ships thereunder and any related costs.

21.16 Green Loan Compliance Certificate and Green Loan Report

- (a) The Borrowers shall supply to the Agent in sufficient copies for all the Lenders, as soon as the same becomes available but, subject to paragraph (b) below, in any event within 120 days after the end of their financial year, a Green Loan Compliance Certificate for that financial year (namely, other than a Pre-Utilisation Green Loan Compliance Certificate).
- (b) The first Green Loan Compliance Certificate in respect of a financial year (namely, other than a Pre-Utilisation Green Loan Compliance Certificate) shall be delivered to the Agent in respect of the financial year ending no less than 8 Months after the first Ship has come into operation.
- (c) Each Green Loan Compliance Certificate in respect of a financial year (namely, other than a Pre-Utilisation Green Loan Compliance Certificate) shall:
 - (i) set out (in reasonable detail):
 - (A) the Borrowers' compliance with the Green Asset Criteria for the relevant financial year (including relevant computations);
 - and

- (B) any Green Loan Margin Adjustment to be applied in accordance with clause 10.2 (*Green Loan Margin Adjustment*);
- (ii) attach a correct and complete copy of the annual non-financial disclosure report prepared by the Parent and, in respect of the financial year ending 31 December 2024 and each subsequent financial year, reviewed and verified by the External Reviewer setting out the Borrowers' green loan-related information for the relevant financial year in sufficient detail for the Lenders to assess whether the Green Asset Criteria have been complied with by the Borrowers during that financial year (a **Green Loan Report**);
- (iii) ensure that each Green Loan Report includes the following items, based on and subject to availability of any relevant data (and if such relevant data is not available, based on expected impact): installed capacity in MW or annual renewable generation (MWh) and, if feasible, CO2 emissions saved; number of installed wind turbines; fuel consumption and/or CO2 emissions; and other relevant emissions such as Sox and Nox, PM; and
- (iv) confirm that the Green Loan Report relating to the relevant financial year and attached to the Green Loan Compliance Certificate is a correct and complete copy of the original and has not been amended or superseded as at the date of the Green Loan Compliance Certificate.
- (d) Each Pre-Utilisation Green Loan Compliance Certificate shall comply with paragraph (c) above except that references to historical data or prior periods shall be deemed to be data in respect of, or references to, the 12 month period ending on the date of submission of the Pre-Utilisation Green Loan Compliance Certificate.
- (e) Each Green Loan Compliance Certificate shall be signed by two directors of each Borrower.
- (f) Each Obligor shall supply to the Agent a copy of any amendments to or updated versions of the Green Finance Second Party Opinion immediately upon receipt from the External Reviewer.

21.17 Green Loan Compliance Certificate Inaccuracy

- (a) Each Borrower (or the Parent on its behalf) shall notify the Agent upon becoming aware of any inaccuracy in a Green Loan Compliance Certificate (**aGreen Loan Compliance Certificate Inaccuracy**). Such notice shall be provided together with:
 - (i) a description (in reasonable detail) of the relevant Green Loan Compliance Certificate Inaccuracy; and
 - (ii) a revised Green Loan Compliance Certificate which complies with the requirements of paragraphs (c) or (as applicable) (d) of clause 21.16 (*Green Loan Compliance Certificate and Green Loan Report*) and which corrects the relevant Green Loan Compliance Certificate Inaccuracy.
- (b) Notwithstanding any other provision of this clause 21.17, a Green Loan Compliance Certificate Inaccuracy shall not constitute a Default or an Event of Default.

21.18 Green Loan Information

- (a) The Borrowers shall supply to the Agent within a reasonable time any additional information which any Lender (through the Agent) or Sinosure (through the Sinosure Agent) may reasonably request in order to:
 - (i) determine and confirm if the Green Asset Criteria have been complied with by the Borrowers; or

- (ii) otherwise determine a Group Member's compliance with its obligations under any Green Loan Provision.
- (b) Each Borrower shall notify the Agent within a reasonable time:
 - (i) of becoming aware that an External Reviewer has threatened to terminate its appointment, or that an External Reviewer's appointment has been terminated; and
 - (ii) of the appointment of any successor External Reviewer.
- (c) The Parties acknowledge and agree that the Agent, the Lenders and Sinosure may rely, without independent verification, upon the accuracy, adequacy and completeness of the Green Loan Information, and that neither the Agent, the Lenders nor Sinosure:
 - (i) assumes any responsibility or has any liability for the Green Loan Information; or
 - (ii) has an obligation to conduct any appraisal of any Green Loan Information.

22 Financial covenants

22.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 22 will be complied with throughout the Facility Period.

22.2 Financial definitions

In this clause 22:

Cash and Cash Equivalents means at any relevant time:

- (a) cash in hand or on deposit with any bank;
- (b) Cash Equivalent Investments;
- (c) any undrawn and available amounts under any committed revolving and overdraft credit facilities; and
- (d) any other instrument, security or investment approved by the Majority Lenders,

which is free from any Security Interest (with the exception of any Account Security relating to an Earnings Account unless an Event of Default is continuing) and/or restrictions and to which any Group Member is beneficially entitled at that time and which are readily available to Group Members and capable of being applied against Financial Indebtedness, as demonstrated by the then most recent Financial Statements.

Cash Equivalent Investments means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security;

- (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and noncredit enhanced debt obligations, an equivalent rating;
- (d) any investment in money market funds which:
- (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; and
 - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above, to the extent that investment can be turned into cash on not more than 30 days' notice; or
- (e) any stocks payable in a freely convertible and transferable currency and which are listed on a stock exchange acceptable to the Majority Lenders.

EBITDA means, at any time and in respect of any Measurement Period, the consolidated profit on ordinary activities of the Group before taxation for the twelve month period ending at the end of such Measurement Period, but:

- (a) adjusted to exclude interest receivable and interest payable and other similar income or costs to the extent not already excluded;
- (b) adjusted to exclude any gain or loss realised on the disposal of fixed assets (whether tangible or intangible);
- (c) after adding back depreciation and amortisation charged which relates to such period;
- (d) adjusted to exclude any exceptional, one-off, non-recurring or extraordinary items; and
- (e) after deducting any profit arising out of the release of any provisions against a liability or charge and adding back any provision relating to long term assets or contracts,

as shown in the then most recent Financial Statements relevant to the twelve month period ending at the end of such Measurement Period.

Equity Ratio means, at any relevant time and in relation to a Measurement Period, the ratio of (a) the Shareholders' Equity to (b) Total Assets.

Financial Statements means any of the Annual Financial Statements and/or the Semi-Annual Financial Statements referred to and defined as such in clause 21 *Information undertakings*).

Gross Interest Bearing Debt means, at any relevant time, the interest bearing debt of the Group calculated on a consolidated basis as set out in the then most recent Financial Statements.

Measurement Period means each Financial Year of the Parent and the first half year of each Financial Year of the Parent for which Financial Statements are to be delivered to the Agent under clause 21.3 *(Financial statements)*.

Net Interest Bearing Debt means, at any relevant time and in respect of a Measurement Period, the Gross Interest Bearing Debt minus Cash and Cash Equivalents, each as set out in the then most recent Financial Statements relevant to such Measurement Period.

Shareholders' Equity means, at any time and in relation to a Measurement Period, the "total shareholders' equity" for the Group shown (on the basis of book values) in the then most recent Financial Statements relevant to such Measurement Period.

Total Assets means, at any time and in relation to any Measurement Period, the aggregate of "total assets" of the Group as shown (on the basis of book values) in the then most recent Financial Statements relevant to such Measurement Period.

Working Capital means, at any time, the current assets less the current liabilities of the Group, each as shown in, and calculated in accordance with, the then most recent Financial Statements, but, adjusted by:

- (a) not including in "current assets" any "restricted cash" and including in "current assets" any undrawn and available amount of any committed loan or credit facility; and
- (b) not including in "current liabilities" (i) advance payments received under charter commitments which are classified as "current liabilities" under GAAP, (ii) "restricted cash" related to derivatives exposure already adjusted for under "current assets" or (iii) any "Current portion of long-term interest bearing debt" liabilities,

each as shown in the then most recent Financial Statements relevant to such Measurement Period.

22.3 Financial condition

The Parent shall ensure that throughout the Facility Period:

- (a) **Equity Ratio:** at all times during and in respect of each Measurement Period, the Equity Ratio shall be higher than 0.35:1.0;
- (b) **Liquidity:** the Group (on a consolidated basis) maintains at all times Cash and Cash Equivalents which are at all times not less than:
 - (i) if at any relevant time the ratio of (1) the total forward-looking anticipated cash revenues of the Group from all legally binding and committed contracts for all the Fleet Vessels for a Measurement Period excluding all options and conditional or contingent payments (other than being conditional on performance of the relevant Obligor's or Group Member's obligations under such charter commitments) and adjusted on a full cash basis by excluding any part of the revenue already paid (as the same is calculated by the Parent to the satisfaction of the Agent) to (2) Net Interest Bearing Debt for the same Measurement Period is equal to or higher than 50%, the higher of €35,000,000 and 5% of the Gross Interest Bearing Debt; and
 - (ii) at all other times, the higher of €50,000,000 and 7.5% of the Gross Interest Bearing Debt; and
- (c) **Working Capital:** at all times during and in respect of each Measurement Period, the Working Capital shall be higher than zero (0).

22.4 Financial testing

The financial covenants set out in clause 22.3 (*Financial condition*) shall be calculated in accordance with GAAP and tested by reference to each of the consolidated financial statements of the Parent delivered pursuant to clause 21.3 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to clause 21.4 (*Provision and contents of Compliance Certificate*).

23 General undertakings

23.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 23 will be complied with by and in respect of each Obligor and each other Group Member throughout the Facility Period.

23.2 Use of proceeds

The proceeds of each Utilisation shall be used exclusively for the purposes specified in clause 3(*Purpose*) and, if requested by the Agent, the Borrowers shall promptly provide to the Agent any supporting evidence requested to verify that the proceeds are being used for the financing of Green Assets.

23.3 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

- (i) enable it to perform its obligations under the Transaction Documents;
- (ii) ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document; and
- (iii) carry on its business where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

23.4 Compliance with laws

Each Obligor shall (and shall ensure that each other Group Member will), comply in all respects with all laws and regulations (including Environmental Laws) to which it may be subject where failure to comply is reasonably likely to have a Material Adverse Effect.

23.5 Anti-bribery, anti-corruption and anti-money laundering laws

- (a) No Obligor shall (and shall ensure that no other Group Member will) directly or indirectly:
 - (i) use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions; or
 - (ii) engage in any activity or conduct which violates any other applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations and rules in any applicable jurisdiction.
- (b) Each Obligor shall (and shall ensure that each other Group Member will):
 - (i) conduct its businesses in compliance with applicable anti-bribery, anti-corruption and anti-money laundering laws; and
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

23.6 Tax compliance

- (a) Each Obligor shall (and shall ensure that each other Group Member will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under clause 21.3 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld.
- (b) Except as approved by the Majority Lenders, each Obligor shall maintain its residence for Tax purposes in the jurisdiction in which it is incorporated and ensure that it is not resident for Tax purposes in any other jurisdiction.

23.7 Change of business

Except as approved by all the Lenders and Sinosure (each such approval not to be unreasonably withheld or delayed), no substantial change will be made to the general nature of the business of the Parent, the Obligors or the Group taken as a whole from that carried on at the date of this Agreement.

23.8 Listing

The common shares of the Parent shall remain listed on the Oslo Stock Exchange and the New York Stock Exchange or such other stock exchange acceptable to the Majority Lenders and Sinosure.

23.9 Merger

- (a) Subject to paragraph (b) below and except as approved by all the Lenders and Sinosure, no Obligor shall (and the Obligors shall ensure that no other Group Member will) enter into any amalgamation, demerger, merger, consolidation, redomiciliation, legal migration or corporate reconstruction (other than the solvent liquidation of any Group Member which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other Group Members).
- (b) In the case of the Parent only, the Parent may enter into an amalgamation, demerger, merger, consolidation, redomiciliation, legal migration or corporate reconstruction if:
 - (i) it is to be the surviving entity of such action;
 - (ii) such action does not and would not be reasonably likely to cause a Material Adverse Effect; and
 - (iii) no Default exists at the time of such action or would result from the same.

23.10 Further assurance

- (a) Each Obligor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Agent or the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the Security Interests created or intended to be created by that Obligor under, or evidenced by, the Security Documents (which may include the execution of a mortgage, charge, assignment or other security over all or any of the assets

which are, or are intended to be, the subject of the Security Documents) or to protect or ensure the priority of such Security Interests or for the exercise of any rights, powers and remedies of the Security Agent and/or any other Finance Parties provided by or pursuant to the Finance Documents or by law;

- (ii) to confer on the Security Agent and/or any other Finance Parties Security Interests over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security Interest intended to be conferred by or pursuant to the Security Documents;
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Documents; and/or
 - (iv) to facilitate the accession by a New Lender to any Security Document following an assignment in accordance with clause 35.1(*Assignments by the Lenders*).
- (b) Each Obligor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security Interest (or the priority of any Security Interest) conferred or intended to be conferred on the Security Agent and/or any other Finance Parties by or pursuant to the Finance Documents.

23.11 Negative pledge in respect of Charged Property

Except as approved by the Lenders and for Permitted Security Interests, no Obligor will grant or allow to exist any Security Interest over any Charged Property.

23.12 Environmental matters

- (a) The Obligors will notify the Agent as soon as reasonably practicable of any Environmental Claim being made against any Group Member or any Fleet Vessel which has, or is reasonably likely to have, a Material Adverse Effect and of any Environmental Incident which may give rise to such a claim and will be kept regularly and promptly informed in reasonable detail of the nature of, and response to, any such Environmental Incident and the defence to any such claim.
- (b) The Obligors will procure that all Environmental Laws (and any consents, licences or approvals obtained under them) applicable to Fleet Vessels will not be violated in a way which has, or is reasonably likely to have, a Material Adverse Effect.
- (c) The Obligors undertake to implement a safe, sustainable and socially responsible corporate policy with respect to dismantling the Mortgaged Ships and any other vessels owned or controlled in the Group within 6 months from the date of this Agreement.

23.13 Sanctions

- (a) No Obligor shall, and each Obligor shall ensure that no other Group Member nor any of their respective directors or officers shall, and the Obligors shall use reasonable endeavours to procure that none of their respective employees shall, take any action, make any omission or use (directly or indirectly) any proceeds of the Loan (or lend, contribute or otherwise make available all or any part of such proceeds to any person) in a manner that:
 - (i) is a breach of Sanctions; and/or
 - (ii) causes (or will cause or would reasonably be expected to cause) a breach of Sanctions by any Finance Party.
- (b) No Obligor shall (and each Obligor shall ensure that no other Group Member nor any of their respective directors and officers shall) take any action or make any omission that results, or is reasonably likely to result, in it or any Finance Party becoming a Restricted Party.

- (c) Each Obligor shall ensure that it shall not use any revenue or benefit derived from any activity or dealing with a Restricted Party for the purpose of discharging amounts owing to any Finance Party in respect of the Facility.
- (d) Each Obligor shall implement and maintain appropriate safeguards designed to prevent any action that would be contrary to paragraphs (a) to (c) above.

23.14 Sinosure requirements

- (a) No Obligor shall act (or omit to act) in a manner that is inconsistent with any requirement of Sinosure under or in connection with a Sinosure Insurance Policy and, in particular:
 - (i) each Obligor shall do all that is necessary to ensure that all requirements of Sinosure under or in connection with each Sinosure Insurance Policy are complied with;
 - (ii) each Obligor will refrain from acting in any manner which could result in a breach of any requirements of Sinosure under or in connection with a Sinosure Insurance Policy or affect the validity of them;
 - (iii) no Obligor shall take any action or omit to take any action which would directly or indirectly:
 - (A) permit the restriction, revocation, annulment or termination of any Sinosure Insurance Policy;
or
 - (B) give rise to an exclusion or defence to payment applicable to an insured loss under any Sinosure Insurance Policy;
or
 - (C) otherwise adversely affect the interests and rights of the Lenders under any Sinosure Insurance Policy.
- (b) Each Obligor shall take all measures (including, but not limited to, administrative, judicial and arbitral measures) to avert any risk covered by each Sinosure Insurance Policy.
- (c) Each Obligor agrees that, in the event that the Sinosure Agent or the Agent notifies it that the Sinosure Agent has filed or intends to file a claim for payment under any Sinosure Insurance Policy, each Borrower shall:
 - (i) use its best efforts to assist in filing a claim for compensation, indemnity or reimbursement in respect of any loss;
 - (ii) use its best efforts to co-operate in good faith with the Sinosure Agent and Sinosure with respect to any verification of claim, eligibility or amount by any such person (including but not limited to providing evidence, documentation, information, certificates and other forms of proof reasonably requested in connection therewith);
 - (iii) when required by the Agent, the Sinosure Agent or Sinosure and in consultation with Sinosure, take all commercially reasonable measures to:
 - (A) pursue available administrative and judicial remedies arising from the loss, in cooperation with or on behalf of Sinosure, against the relevant governmental agency;
 - (B) negotiate in good faith with the relevant governmental agency, in cooperation with or on behalf of Sinosure;
and
 - (C) pursue any other potential sources of recovery for the loss.

- (d) Each Obligor shall promptly provide such information or documents or take or refrain from taking such action as requested by the Sinosure Agent in accordance with any Sinosure Insurance Policy.
- (e) Each Obligor shall notify the Agent and the Sinosure Agent of the occurrence of any event that is likely to result in a claim under any Sinosure Insurance Policy, within five Business Days of its becoming aware of the occurrence of any such event.

23.15 Sinosure Insurance Policy protection

If at any time in the opinion of the Sinosure Agent, any provision of a Finance Document contradicts or conflicts with any provision of a Sinosure Insurance Policy, the Borrowers will:

- (a) take all steps as the Agent, the Sinosure Agent and/or Sinosure shall require to remove such contradiction or conflict;
and
- (b) take all steps as the Agent, the Sinosure Agent and/or Sinosure shall require to ensure that such Sinosure Insurance Policy remains in full force and effect.

23.16 Declassification Event

- (a) On and at any time after the occurrence of a Declassification Event the Agent may, and shall if so directed by the Majority Lenders and Sinosure, by notice to the Borrowers declassify the Loan as a "green loan".
- (b) With effect on and from the Declassification Date:
 - (i) clause 10.2 (*Green Loan Margin Adjustment*) and each Green Loan Provision shall cease to apply;
and
 - (ii) no Green Loan Margin Adjustment will apply to the Loan.
- (c) If a Voluntary Declassification Event occurs, the Facility may not be re-classified as a "green loan" on or after the applicable Declassification Date except with the prior written approval of all the Lenders.
- (d) If a Mandatory Declassification Event occurs:
 - (i) clause 10.2 (*Green Loan Margin Adjustment*) and each Green Loan Provision shall cease to apply;
and
 - (ii) no Green Loan Margin Adjustment will apply to the Loan,

provided that the Green Loan Margin Adjustment and the Green Loan Provisions shall be reinstated within 10 Business Days (and the Green Loan Margin Adjustment applied in accordance with clause 10.2 (*Green Loan Margin Adjustment*)) following the Borrowers' delivery of a Green Loan Compliance Certificate evidencing compliance with the Green Asset Criteria.

23.17 Green Loan publicity

The Borrowers shall not (and shall ensure that no other Group Member will) make any disclosure that references the Facility or the Loan as a "green loan" at any time on or after a Declassification Event that has occurred and is continuing.

24 Construction period

24.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 24 will be complied with in relation to each Ship and its Building Contract throughout the period from the date of this Agreement until the earlier of the Delivery of that Ship, the end of the Facility Period and the cancellation of the Ship Commitment for that Ship and payment of all amounts required by this Agreement to be paid to the Finance Parties upon such cancellation.

24.2 Progress and information

Upon the Agent's or the Security Agent's request, the relevant Owner shall advise the Agent or (as the case may be) the Security Agent of the progress of construction of the Ship and supply the Agent or (as the case may be) the Security Agent with such other information as the Agent or (as the case may be) the Security Agent may require about the construction of the Ship or any of the Building Contract Documents.

24.3 Arbitration under Building Contract

The relevant Owner shall promptly notify the Agent:

- (a) if either party begins an arbitration under the Building Contract;
- (b) of the identity of the arbitrators; and
- (c) of the conclusion of the arbitration and the terms of any arbitration award.

24.4 Material changes

The relevant Owner shall ensure that no material changes are made to the Building Contract prior to Delivery without the prior written consent of the Majority Lenders and Sinosure.

24.5 Notification of certain events

The relevant Owner shall notify the Agent immediately if either party cancels, rescinds, repudiates or otherwise terminates the Building Contract (or purports to do so) or rejects the Ship (or purports to do so) or if the Ship becomes a Total Loss or partial loss or is materially damaged or if a dispute arises under the Building Contract.

25 Dealings with Ship

25.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 25 will be complied with in relation to each Mortgaged Ship throughout the relevant Ship's Mortgage Period. Where a Mortgaged Ship is subject to a Bareboat Charter, all undertakings in this clause 25 given by the relevant Owner will be deemed to also be given by the relevant Bareboat Charterer under such Bareboat Charter.

25.2 Ship's name and registration

- (a) The Ship's name shall only be changed after prior notice to the Agent and, the relevant Owner shall promptly take all necessary steps to update all applicable insurance, class and registration documents with such change of name.
- (b) The Ship shall be permanently registered in the name of the relevant Owner with the relevant Registry under the laws of its Flag State. Except with approval of all the Lenders and Sinosure, the Ship shall not be registered under any other flag or at any other port or fly any other flag (other than that of its Flag State as at the date of this Agreement) provided that no

such approval shall be required for the registration of the Ship under the flag of another Approved Flag State as long as replacement Security Interests are granted in respect of that Ship (which are, in the opinion of the Lenders, equivalent to those in place prior to such registration) in favour of the Finance Parties immediately following the registration of such Ship under the flag of that Approved Flag State and at the cost and expense of the Borrowers. If that registration is for a limited period, it shall be renewed at least 45 days before the date it is due to expire and the Agent shall be notified of that renewal at least 30 days before that date.

- (c) Nothing will be done and no action will be omitted if that might result in such registration being forfeited or imperilled or the Ship being required to be registered under the laws of another state of registry.
- (d) The Ship, if subject to a Bareboat Charter, may be registered under a parallel registration regime following approval of such parallel registration regime and relevant applicable jurisdictions by the Majority Lenders provided that the Majority Lenders (acting reasonably) are satisfied that prior to such registration:
 - (i) the Finance Parties' interests under the Finance Documents (including the relevant Mortgages and other Transaction Security) are not adversely affected by such parallel registration;
 - (ii) any amendments to the Finance Documents have been entered into by the Obligors and such documents of the type referred to in Schedule 3 *Conditions precedent*) in respect of such amendments have been delivered by the Borrowers to the Agent, as may be required by the Majority Lenders in their reasonable discretion; and
 - (iii) the Lenders have received satisfactory legal opinions from all relevant jurisdictions in respect of such parallel flagging and the impact it may have on the Security Documents and the Finance Parties' interests under the Finance Documents.

25.3 Sale or other disposal of Ship

Except:

- (a) with approval of all the Lenders and Sinosure;
- (b) for a sale of a Mortgaged Ship which is not the last remaining Mortgaged Ship under this Agreement, for a cash price payable on completion of the sale which is no less than the amount by which the Loan and other amounts under the Hedging Contracts and the Ancillary Facilities must be prepaid or otherwise paid under clause 8.8 (*Sale or Total Loss*) and provided no Event of Default is continuing; or
- (c) for the sale of a Mortgaged Ship which is the last remaining Mortgaged Ship under this Agreement, for a cash price payable on completion of the sale which is no less than the amount required to discharge all outstanding obligations of the Obligors under the Finance Documents or where all Finance Parties are satisfied (in their sole discretion) that all outstanding obligations of the Obligors under the Finance Documents shall be so discharged on completion of the sale and in each case provided no Event of Default is continuing.

the relevant Owner will not sell, transfer, abandon or otherwise dispose of the relevant Ship or any share or interest in the Ship, or agree to do so, but the Owner may enter into an agreement for the sale of its Ship if the Borrowers are otherwise in compliance with this clause 25.3.

25.4 Manager

A manager of the Ship shall not be appointed unless that manager is the Parent or any other Group Member who, in any such case, is the Bareboat Charterer of such Ship and a Guarantor, or such other person has been approved by the Majority Lenders (such approval not to be unreasonably withheld or delayed) and unless the terms of its appointment are approved by the

Majority Lenders and (unless that manager is a Guarantor) it has delivered a duly executed Manager's Undertaking to the Security Agent. The relevant Owner shall not agree to any change to the terms of appointment of a manager (including any Management Agreement) which have been approved unless such change is also approved.

25.5 Copy of Mortgage on board

A properly certified copy of the Ship's Mortgage (or, in the case of a Mortgage under Danish law which is in digitalised form, an apostilled certificate of registration (Da: *Registreringsattest*) confirming the Mortgage and a certificate from the Danish Maritime Authority containing an exact replica of the registered letter of indemnity regarding the vessel (Da: *Eksakt gengivelse af registreret digitalt skadesløsbrev i skib*)) shall be kept on board the Ship with its papers and shown to anyone having business with the Ship which might create or imply any commitment or Security Interest over or in respect of the Ship (other than a lien for crew's wages and salvage) and to any representative of the Agent or the Security Agent.

25.6 Notice of Mortgage

A framed printed notice of the Ship's Mortgage shall be prominently displayed in the navigation room and in the Master's cabin of the Ship. The notice must be in plain type and read as follows:

"NOTICE OF MORTGAGE

This Ship is subject to a First Mortgage in favour of [here insert name of mortgagee] of [here insert address of mortgagee]. Under the said mortgage and related documents, neither the Owner nor any charterer nor the Master of this Ship has any right, power or authority to create, incur or permit to be imposed upon this Ship any commitments or encumbrances whatsoever other than for crew's wages and salvage.

No-one will have any right, power or authority to create, incur or permit to be imposed upon the Ship any lien whatsoever other than for crew's wages and salvage."

25.7 Conveyance on default

Where the Ship is (or is to be) sold in exercise of any power conferred by the Security Documents, the relevant Owner shall, upon the Security Agent's request, immediately execute such form of transfer of title to the Ship as the Security Agent may require.

25.8 Chartering

(a) Except with approval by the Majority Lenders and Sinasure, the relevant Owner shall not enter into any charter commitment for a Ship (other than an Initial Bareboat Charter, any other Bareboat Charter (excluding a JV Bareboat Charter) in accordance with paragraph (b) below or a JV Bareboat Charter in accordance with paragraph 25.8(c) below); and the relevant Owner shall procure that any Bareboat Charterers (as disponent owners) shall not enter into any charter commitment for a Ship (other than the Initial Charters for that Ship), which is:

- (i) a bareboat or demise charter or passes possession and operational control of the Ship to another person;
or
- (ii) to another Group Member.

(b) The relevant Owner may enter into a Bareboat Charter for a Ship other than the Initial Bareboat Charter for such Ship provided that:

- (i) the terms of such Bareboat Charter are substantially the same as those of the Initial Bareboat Charter or are approved by the Majority Lenders (such approval not to be unreasonably withheld);

- (ii) such Bareboat Charter provides for a level of charter hire which, for the entire tenor of the same, is not less than the relevant Minimum Bareboat Charter Hire;
 - (iii) the Bareboat Charterer in respect of such Bareboat Charter is the Parent or a wholly-owned (direct or indirect) Subsidiary of the Parent;
 - (iv) where such Bareboat Charter is with a Group Member that is not a Guarantor, such Group Member has become an Additional Guarantor in accordance with the terms of clause 36.5 (*Additional Guarantors*); and
 - (v) each of the additional requirements set out in paragraph (d) below are complied with.
- (c) The relevant Owner may enter into a bareboat charter in respect of the Ship with a bareboat charterer which is a joint venture local entity (**aJV Bareboat Charter**) where this is required by local law to operate such Ship in a specific jurisdiction and provided that:
- (i) the terms of such JV Bareboat Charter are substantially the same as those of the Initial Bareboat Charter or are approved by the Majority Lenders (such approval not to be unreasonably withheld);
 - (ii) such JV Bareboat Charter provides for a level of hire which, for the entire tenor of the same, is not less than the relevant Minimum Bareboat Charter Hire;
 - (iii) the Parent owns legally and beneficially (directly or indirectly) no less than 51% of each of the issued share capital and the voting share capital in, and has control over, the Bareboat Charterer under such JV Bareboat Charter;
 - (iv) where such JV Bareboat Charter is with a Group Member that is not already a Guarantor, such Group Member has become an Additional Guarantor in accordance with the terms of clause 36.5 (*Additional Guarantors*); and
 - (v) the Owner (at the cost and expense of the Borrowers) provides or procures the provision by the Bareboat Charterer of such JV Bareboat Charter and such other documents and evidence and security in respect of such charter as the Agent (acting on the instructions of the Majority Lenders in their sole discretion) shall require.
- (d) Further, without prejudice to the rights of the Finance Parties under the provisions of paragraph (a), (b) or (c) above and any other provisions of the Finance Documents, the relevant Owner shall advise the Agent and the Sinusure Agent promptly of any Bareboat Charter or Charter in respect of its Ship (other than the Initial Bareboat Charter and the Initial Charters for such Ship) entered into by the Owner or the Bareboat Charterer as disponent owner of such Ship, and the relevant Owner shall:
- (i) deliver a copy of each such Bareboat Charter or, to the extent that such disclosure does not constitute a breach of the relevant Charter, a description of the main terms of each such Charter to the Agent and the Sinusure Agent forthwith after its execution;
 - (ii) in the case of a Bareboat Charter where the Bareboat Charterer has not already provided a General Assignment, forthwith thereafter procure that the Bareboat Charterer executes a General Assignment in favour of the Security Agent;
 - (iii) in the case of a Bareboat Charter, forthwith thereafter execute any notice of assignment required in connection therewith pursuant to the Owner's General Assignment, serve such notice of assignment on the relevant Bareboat Charterer and obtain an acknowledgement of such notice by such Bareboat Charterer (and for the avoidance of doubt the Agent may, and shall if so directed by the Majority Lenders, serve any such notice of assignment on the relevant Bareboat Charterer under such Bareboat Charter in a timely manner);

- (iv) in the case of a Charter (and any Charter Guarantee in respect of such Charter) and provided that an assignment of the Earnings of such Charter or such Charter Guarantee (as applicable) will not constitute a breach of such Charter or such Charter Guarantee (but without prejudice to the requirements of paragraph (e) below), forthwith thereafter execute or procure that the relevant Bareboat Charterer execute any notice of assignment of the Earnings of such Charter and such Charter Guarantee as required in connection therewith pursuant to the Owner's or Bareboat Charterer's General Assignment, as applicable;
 - (v) in the case of a Charter (and any Charter Guarantee in respect of such Charter) and provided that an assignment of the Earnings of such Charter or such Charter Guarantee (as applicable) will not constitute a breach of such Charter or such Charter Guarantee (but without prejudice to the requirements of paragraph (e) below), forthwith thereafter, serve or procure the service of any such notice of assignment of the Earnings of such Charter and such Charter Guarantee by the relevant Bareboat Charterer on the relevant Charterer under such Charter and on the relevant Charter Guarantor under such Charter Guarantee, and:
 - (A) unless paragraph (B) below applies, use its reasonable endeavours to procure the receipt of the acknowledgement of such notice by such Charterer and such Charter Guarantor; and
 - (B) where a Quiet Enjoyment Agreement has been or will be entered into in respect of such Charter, procure the receipt of the acknowledgement of such notice by such Charterer and such Charter Guarantor forthwith,(and for the avoidance of doubt if the relevant Owner or Bareboat Charterer fails to give such notice within a reasonable time, the Agent may, and shall if so directed by the Majority Lenders, serve any such notice of assignment on the relevant Charterer under such Charter and on the relevant Charter Guarantor under such Charter Guarantee in a timely manner);
 - (vi) deliver to the Agent and the Sinosure Agent such documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*), in relation to any such General Assignment or any other related matter referred to in this clause 25.8(d), as the Agent (acting on the instructions of the Majority Lenders in their reasonable discretion) shall require; and
 - (vii) pay on the Agent's demand all legal costs and other costs (pre-approved by the Borrowers or the Parent on their behalf, such approval not to be unreasonably withheld or delayed) of the Agent and/or the Sinosure Agent and/or Sinosure and/or the Security Agent in connection with or in relation to any such Charter, Bareboat Charter or General Assignment or any other related matter referred to in this clause 25.8(d).
- (e) Notwithstanding any other provision in this Agreement, the relevant Owner shall, and shall procure that any relevant Bareboat Charterer shall:
- (i) unless paragraph (ii) below applies, use commercially reasonable efforts to procure that:
 - (A) any Charter (and any Charter Guarantee in respect of such Charter) entered into by such Owner or Bareboat Charterer following the date of this Agreement is governed by English law and that its Earnings are freely assignable by the relevant Owner or Bareboat Charterer (as applicable) to the Security Agent, without the need for the relevant Charterer's or relevant Charter Guarantor's (as applicable) consent; or
 - (B) the main terms of any such Charter (and any Charter Guarantee in respect of such Charter) can be disclosed by the relevant Owner or Bareboat Charterer

(as applicable) to the Finance Parties in accordance with the terms of this Agreement; and

- (ii) where a Charterer in respect of any Charter entered into by such Owner or Bareboat Charterer following the date of this Agreement requires that a quiet enjoyment agreement be entered into as a condition to permitting the Mortgage over the relevant Ship and/or to an assignment of such Charter's Earnings, procure that, subject to the entry into the relevant Quiet Enjoyment Agreement, the Earnings under such Charter and Charter Guarantee are freely assignable.
- (f) Without prejudice to the provisions of paragraph (e) above:
 - (i) where any charterer in respect of a charter commitment (other than a Bareboat Charter) to be entered into by an Owner or Bareboat Charterer following the date of this Agreement requires a quiet enjoyment agreement as a condition to permitting the Mortgage over the relevant Ship (and/or to the assignment of the Earnings under such charter commitment if it is a Charter), the relevant Owner shall, as soon as reasonably practicable after becoming aware of such requirement and in any event prior to the entry into such charter commitment, inform the Agent of such requirement; and
 - (ii) the relevant Owner shall inform the Sinosure Agent prior to the entry into a Charter which prohibits the assignment of Earnings thereunder and the Sinosure Agent shall notify Sinosure of the same.
- (g) Notwithstanding any term of any Quiet Enjoyment Agreement, any costs or expenses arising out of or in connection with any Quiet Enjoyment Agreement shall be paid by the Borrowers in accordance with clause 18 (*Costs and expenses*).

25.9 Lay up

Except with approval, the Ship shall not be laid up cold.

25.10 Sharing of Earnings

Except with approval, the relevant Owner shall not enter into any arrangement under which its Earnings from the Ship may be shared with anyone else.

25.11 Payment of Earnings

- (a) The relevant Owner's Earnings from the Ship shall be paid in the way required pursuant to clause 29.7 (*Payment of charter earnings*).
- (b) If any Earnings are held by brokers or other agents, they shall be paid to the Security Agent or the Agent (as the case may be), if it requires this after the Earnings have become payable to it pursuant to clause 29.7 (*Payment of charter earnings*).

25.12 Inventory of Hazardous Materials

An Inventory of Hazardous Materials shall be maintained in relation to the Ship provided that if such certificate is not available at the start of the Ship's Mortgage Period, an Inventory of Hazardous Material will be obtained at the next dry-docking of the Ship.

25.13 Sustainable and socially responsible dismantling of Ships

Each Ship, each Fleet Vessel and any other vessel controlled by the Group will, when it is to be scrapped or when sold to an intermediary with the intention of being scrapped, be recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner in accordance with the provisions of The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships 2009 (whether or not it is in force) and, if

applicable, the EU Ship Recycling Regulation and, if applicable, the Ship Recycling Facilities Regulations 2015.

25.14 Poseidon Principles

- (a) If applicable to the Ships, the Borrowers shall, upon the request of the Agent (at the request of any Lender) and at the cost of the Borrowers, on or before 31 July in each calendar year, supply or procure the supply to the Agent of all information necessary in order for that Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all vessel fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to the Ship for the preceding calendar year.
- (b) No Lender shall publicly disclose such information with the identity of the Ship without the prior written consent of the Borrowers. Such information shall be “Confidential Information” for the purposes of clause 52 (*Confidential Information*) but each of the Borrowers acknowledges that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender’s portfolio climate alignment.

26 Condition and operation of Ship

26.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 26 will be complied with in relation to each Mortgaged Ship throughout the relevant Ship’s Mortgage Period. Where a Mortgaged Ship is subject to a Bareboat Charter, all undertakings in this clause 26 given by the relevant Owner will be deemed to also be given by the relevant Bareboat Charterer under such Bareboat Charter.

26.2 Defined terms

In this clause 26 and in Schedule 3 (*Conditions precedent*):

applicable code means any code or prescribed procedures required to be observed by the Ship or the persons responsible for its operation under any applicable law (including but not limited to those currently known as the ISM Code and the ISPS Code).

applicable law means all laws and regulations applicable to vessels registered in the Ship’s Flag State or which for any other reason apply to the Ship or to its condition or operation at any relevant time.

applicable operating certificate means any certificates, vessel response plans, or other document relating to the Ship or its condition or operation required to be in force under any applicable law or any applicable code.

26.3 Repair

The Ship shall be kept in a good, safe and efficient state of repair. The quality of workmanship and materials used to repair the Ship or replace any damaged, worn or lost parts or equipment shall be sufficient to ensure that the Ship’s value is not reduced.

26.4 Modification

Except with approval, the structure, type or performance characteristics of the Ship shall not be modified in a way which could or might materially alter the Ship or materially reduce its value.

26.5 Removal of parts

Except with approval, no material part of the Ship or any equipment (except for equipment that is temporarily installed for the purpose of fulfilling a charterparty or employment contract) shall be

removed from the Ship if to do so would materially reduce its value unless at the same time it is replaced with equivalent parts or equipment owned by the relevant Owner free of any Security Interest (except under the Security Documents) or such removal is a temporary removal of equipment which is to be repaired.

26.6 Third party owned equipment

Except with approval, equipment owned by a third party shall not be installed on the Ship if it cannot be removed without risk of causing damage to the structure or fabric of the Ship or incurring significant expense.

26.7 Maintenance of class; compliance with laws and codes

The Ship's class shall be the Ship's Classification with the relevant Classification Society. The Ship and every person who owns, operates or manages the Ship shall comply with all applicable laws and the requirements of all applicable codes. There shall be kept in force and on board the Ship or in such person's custody any applicable operating certificates which are required by applicable laws or applicable codes to be carried on board the Ship or to be in such person's custody.

26.8 Surveys

The Ship shall be submitted to continuous surveys and any other surveys which are required for it to maintain the Classification as its class. Copies of reports of those surveys shall be provided promptly to the Agent if it so requests.

26.9 Inspection and notice of dry-docking

The Agent and/or surveyors or other persons appointed by it for such purpose shall be allowed to board the Ship at all reasonable times (without interfering with the normal operations and trading of the Ship unless an Event of Default is continuing) to inspect it and given all proper facilities needed for that purpose but always provided that the Agent and/or such surveyors or other persons appointed by the Agent shall sign a waiver and/or hold harmless letter in such form provided by the Owner's insurers prior to boarding the Ship.

26.10 Discharge of liabilities

All debts, damages, liabilities and outgoings which have given, or may give, rise to maritime, statutory or possessory liens on, or claims enforceable against, the Ship, its Earnings or Insurances shall be promptly paid and discharged.

26.11 Release from arrest

The Ship, its Earnings and Insurances shall be released from any arrest, detention, attachment or levy, and any legal process against the Ship shall be discharged as soon as possible and in any event not later than 30 Business Days thereafter (or such longer period as may be approved), by whatever action is required to achieve that release or discharge.

26.12 Information about Ship

The Borrowers shall give the Agent, within a reasonable time of its request, any additional information which it may reasonably require about the Ship or its employment, position, use or operation, including details of towages and salvages, and copies of all its charter commitments entered into by or on behalf of any Obligor and copies of any applicable operating certificates.

26.13 Notification of certain events

The Borrowers shall give the Agent prompt notice of:

- (a) any damage to the Ship where the cost of the resulting repairs may exceed the Major Casualty Amount for such Ship;
- (b) any occurrence which may result in the Ship becoming a Total Loss;
- (c) any requisition of the Ship for hire;
- (d) any material Environmental Incident involving the Ship and any material Environmental Claim being made in relation to such an incident;
- (e) any withdrawal or threat to withdraw any applicable operating certificate which is material for the operation of the Ship and such operating certificate is not reinstated within 15 days;
- (f) if requested by the Agent, a copy of any operating certificate required under any applicable code;
- (g) the receipt of notification that any application for such a certificate which is material for the operation of the Ship has been refused and such operating certificate is not obtained within 15 days;
- (h) any requirement or recommendation made in relation to the Ship by any insurer or the Ship's Classification Society or by any competent authority which is not, or cannot be, complied with in the manner or time required or recommended; and
- (i) any arrest, hijacking or detention of the Ship or any exercise or purported exercise of a lien or other claim on the Ship or its Earnings or Insurances.

26.14 Payment of outgoings

All tolls, dues and other outgoings whatsoever in respect of the Ship and its Earnings and Insurances shall be paid promptly. Proper accounting records shall be kept of the Ship and its Earnings.

26.15 Repairers' liens

Except with approval, the Ship shall not be put into any other person's possession for work to be done on the Ship if the cost of that work will exceed or is likely to exceed the Major Casualty Amount for such Ship unless:

- (a) that person gives the Security Agent a written undertaking in approved terms not to exercise any lien on the Ship or its Earnings for any of the cost of such work; or
- (b) it is demonstrated to the Agent's reasonable satisfaction that funds will be available to meet the full cost of that work, whether from insurers or otherwise.

26.16 Lawful use

The Ship shall not be employed:

- (a) in any way or in any activity which is unlawful under international law or the domestic laws of any relevant country;
- (b) by or for the benefit of a Restricted Party;
- (c) in any trade to or from a Sanctioned Country;
- (d) in any trade which could expose any Ship, Obligor, Finance Party, Manager (provided that such Manager is not a Group Member), the crew or the insurers to enforcement proceedings or any other consequences whatsoever arising from Sanctions;

- (e) in carrying illicit or prohibited goods;
- (f) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated; or
- (g) if there are hostilities in any part of the world (whether war has been declared or not), in carrying contraband goods,

and the persons responsible for the operation of the Ship shall take all necessary and proper precautions to ensure that this does not happen, including participation in industry or other voluntary schemes available to the Ship and in which leading operators of vessels operating under the same flag or engaged in similar trades generally participate at the relevant time.

26.17 War zones

Except with approval by all the Lenders, the Ship shall not enter or remain in any zone which has been declared a war zone by any government entity or the Ship's war risk insurers. If approval is granted for it to do so, any requirements of the Agent and/or the Ship's insurers necessary to ensure that the Ship remains properly insured in accordance with the Finance Documents (including any requirement for the payment of extra insurance premiums) shall be complied with.

27 Insurance

27.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 27 shall be complied with in relation to each Mortgaged Ship and its Insurances throughout the relevant Ship's Mortgage Period. Where a Mortgaged Ship is subject to a Bareboat Charter, all undertakings in this clause 27 given by the relevant Owner will be deemed to also be given by the relevant Bareboat Charterer under such Bareboat Charter.

27.2 Insurance terms

In this clause 27:

excess risks means the proportion (if any) of claims for general average, salvage and salvage charges not recoverable under the hull and machinery insurances of a vessel in consequence of the value at which the vessel is assessed for the purpose of such claims exceeding its insured value.

excess war risk P&I cover means cover for claims only in excess of amounts recoverable under the usual war risk cover including (but not limited to) hull and machinery, crew and protection and indemnity risks.

hull cover means insurance cover against the risks identified in paragraph (a) of clause 27.3(*Coverage required*), including hull and machinery, hull interest and/or freight interest in such percentages as approved by the Lenders.

minimum hull cover means, in relation to a Mortgaged Ship, an amount equal at the relevant time to 110 per cent of such proportion of the aggregate of (a) the Loan, (b) the Hedging Exposures of all of the Hedging Providers at that time and (c) the Ancillary Outstandings at that time, as is equal to the proportion which the market value such Mortgaged Ship bears to the aggregate of the market values of all of the Mortgaged Ships at the relevant time.

P&I risks means the usual risks (including maximum liability for oil pollution, excess war risk P&I cover) covered by a protection and indemnity association which is a member of the International Group of protection and indemnity associations (or, if the International Group ceases to exist, any other leading protection and indemnity association or other leading provider of protection and indemnity insurance) (including, without limitation, the proportion (if any) of any collision liability not covered under the terms of the hull cover).

27.3 Coverage required

The Ship (including its hull and machinery, hull interest, freight interest, disbursements and/or increased value) shall at all times be insured at the Ship's Owner's cost:

- (a) against fire and usual marine risks (including excess risks) and war risks (including war protection and indemnity risks (including crew and terrorism risks, piracy and confiscation risks)) on an agreed value basis, for the higher of its minimum hull cover and its market value (such calculation to include hull and machinery as well as hull interest and/or freight interest in such percentages as approved by the Lenders);
- (b) against P&I risks for the highest amount then available in the insurance market for vessels of similar age, size and type as the Ship (but, in relation to liability for oil pollution, for an amount of not less than \$1,000,000,000);
- (c) against such other risks and matters excluding loss of hire or Earnings which the Agent (acting on the instructions of all the Lenders) notifies it that it considers reasonable for a prudent shipowner or operator to insure against at the time of that notice; and
- (d) on terms which comply with the other provisions of this clause 27.

27.4 Placing of cover

The insurance coverage required by clause 27.3 (*Coverage required*) shall be:

- (a) in the name of the relevant Owner and any Bareboat Charterer and (in the case of the Ship's hull cover) no other person (other than the Security Agent (and any other Finance Party) if required by the Majority Lenders) (unless such other person is approved and, if so required by the Agent (acting on the instructions of the Majority Lenders), has duly executed and delivered a first priority assignment of its interest in the Ship's Insurances to the Security Agent (and any other Finance Party required by the Agent) in an approved form and provided such supporting documents and opinions in relation to that assignment as the Agent requires) provided, however, that where a Charterer (or any other charterer of the Ship that is not a Group Member) is co-assured under any such insurance coverage, they shall not be required to provide any such assignment of insurances but the relevant Owner shall, and shall procure that any relevant Bareboat Charterer shall, use reasonable endeavours to obtain a co-assured side letter from such Charterer in such form as is reasonably acceptable to the Agent and agreed by the Parent before the date of this Agreement;
- (b) in euro or another approved currency;
- (c) arranged through approved brokers or direct with approved insurers or protection and indemnity or war risks associations, with the relevant approved underwriters or insurers having in any event a minimum credit rating of:
 - (i) A- or higher by Standard & Poor's Rating Group, AM Best or Fitch Ratings or A3 or higher by Moody's Investors Service and registered Lloyd's syndicates; or
 - (ii) BBB- or higher (but below A-) by Standard Poor's Rating Group or Baa3 or higher (but below A3) by Moody's Investors Service (or equivalent ratings from AM Best or Fitch Ratings);
- (d) in full force and effect; and
- (e) on approved terms which (other than in respect of protection and indemnity insurance) shall be those contained in the latest version of the Nordic Marine Insurance Plan of 2013 full conditions or the Institute Time Clauses Hulls 1983, and with approved insurers or associations.

27.5 Mortgagee's insurance

The Borrowers shall promptly reimburse to the Agent the cost (as conclusively certified by the Agent) of taking out and keeping in force in respect of the Ship and the other Mortgaged Ships on approved terms, or in considering or making claims under:

- (a) a mortgagee's interest insurance and a mortgagee's additional perils (pollution risks) cover for the benefit of the Finance Parties for a total amount of up to 120% of the aggregate of (i) the Loan, (ii) the Hedging Exposure of all the Hedging Providers at that time and (iii) the Ancillary Outstandings at that time; and
- (b) any other insurance cover which the Agent (acting on the instructions of the Majority Lenders) reasonably requires in respect of any Finance Party's interests and potential liabilities (whether as mortgagee of the Ship or beneficiary of the Security Documents).

27.6 Fleet liens, set off and cancellations

If the Ship's hull cover also insures other vessels, the Security Agent shall either be given an undertaking in approved terms by the brokers or (if such cover is not placed through brokers or the brokers do not, under any applicable laws or insurance terms, have such rights of set off and cancellation) the relevant insurers that the brokers or (if relevant) the insurers will not:

- (a) set off against any claims in respect of the Ship any premiums due in respect of any of such other vessels insured (other than other Mortgaged Ships);
or
- (b) cancel that cover because of non-payment of premiums in respect of such other vessels,

or the Borrowers shall ensure that hull cover for the Ship and any other Mortgaged Ships is provided under a separate policy from any other vessels.

27.7 Payment of premiums

All premiums, calls, contributions or other sums payable in respect of the Insurances shall be paid punctually and the Agent shall be provided with all relevant receipts or other evidence of payment upon request.

27.8 Details of proposed renewal of Insurances

At least 14 days before any of the Ship's Insurances are due to expire, the Agent shall be notified of the names of the brokers, insurers and associations proposed to be used for the renewal of such Insurances and the amounts, risks and terms in, against and on which the Insurances are proposed to be renewed.

27.9 Instructions for renewal

At least seven days before any of the Ship's Insurances are due to expire, instructions shall be given to brokers, insurers and associations for them to be renewed or replaced on or before their expiry.

27.10 Confirmation of renewal

The Ship's Insurances shall be renewed upon their expiry in a manner and on terms which comply with this clause 27 and confirmation of such renewal given by approved brokers or insurers to the Agent at least two Business Days (or such shorter period as may be approved) before such expiry.

27.11 P&I guarantees

Any guarantee or undertaking required by any protection and indemnity or war risks association in relation to the Ship shall be provided when required by the association.

27.12 Insurance documents

The Agent shall be provided with pro forma copies of all insurance policies and other documentation issued by brokers, insurers and associations in connection with the Ship's Insurances as soon as they are available after they have been placed or renewed (but in any event no later than 15 Business Days after such placement or renewal) and all insurance policies and other documents relating to the Ship's Insurances shall be deposited with any approved brokers or (if not deposited with approved brokers) the Agent or some other approved person.

27.13 Letters of undertaking

Unless otherwise approved where the Agent is satisfied that equivalent protection is afforded by the terms of the relevant Insurances and/or any applicable law and/or a letter of undertaking provided by another person, on each placing or renewal of the Insurances, the Agent shall be provided promptly with letters of undertaking in an approved form (having regard to general insurance market practice and law at the time of issue of such letter of undertaking) from the relevant brokers, insurers and associations.

27.14 Insurance Notices and Loss Payable Clauses

The interest of the Security Agent or any other Finance Parties as assignees of the Insurances shall be endorsed on all insurance policies and other documents by the incorporation of a Loss Payable Clause and an Insurance Notice in respect of the Ship and its Insurances signed by the relevant Owner and, unless otherwise approved, each other person assured under the relevant cover (other than the Security Agent or any other Finance Party if it is itself an assured).

27.15 Insurance correspondence

If so required by the Agent (acting on the instructions of the Majority Lenders), the Agent shall promptly be provided with copies of all written communications between the assureds and brokers, insurers and associations relating to any of the Ship's Insurances as soon as they are available.

27.16 Qualifications and exclusions

All requirements applicable to the Ship's Insurances shall be complied with and the Ship's Insurances shall only be subject to approved exclusions or qualifications.

27.17 Independent report

If the Agent (acting on the instructions of the Majority Lenders or Sinosure) requests from the Borrowers a detailed report from an approved independent firm of marine insurance brokers giving their opinion on the compliance of the Ship's Insurances with the terms of this Agreement then the Agent shall be provided promptly by the Borrowers with such a report at no cost to the Agent or (if the Agent obtains such a report itself, which it shall be entitled to do) the Borrowers shall reimburse the Agent for the cost of obtaining that report.

27.18 Collection of claims

All documents and other information and all assistance required by the Agent to assist it and/or the Security Agent in trying to collect or recover any claims under the Ship's Insurances shall be provided promptly.

27.19 Employment of Ship

The Ship shall only be employed or operated in conformity with the terms of the Ship's Insurances (including any express or implied warranties) and not in any other way (unless the insurers have consented and any additional requirements of the insurers have been satisfied).

27.20 Declarations and returns

If any of the Ship's Insurances are on terms that require a declaration, certificate or other document to be made or filed before the Ship sails to, or operates within, an area, those terms shall be complied with within the time and in the manner required by those Insurances.

27.21 Application of recoveries

All sums paid under the Ship's Insurances to anyone other than the Security Agent shall be applied in repairing the damage and/or in discharging the liability in respect of which they have been paid except to the extent that the repairs have already been paid for and/or the liability already discharged.

27.22 Settlement of claims

Any claim under the Ship's Insurances for a Total Loss or Major Casualty shall only be settled, compromised or abandoned with prior approval.

27.23 Change in insurance requirements

If the Agent (acting on the instructions of the Majority Lenders) gives notice to the Borrowers to change the terms and requirements of this clause 27 (which the Agent may only do, in such manner as it considers appropriate, as a result in changes of circumstances or practice after the date of this Agreement), this clause 27 shall be modified in the manner so notified by the Agent on the date 14 days after such notice from the Agent is received, provided that such requested modifications follow reasonably prevailing market terms at the time that such notice is given to the Borrowers by the Agent.

28 Minimum security value

28.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 28 will be complied with throughout any Mortgage Period.

28.2 Valuation of assets

For the purpose of the Finance Documents, the value at any time of any Mortgaged Ship or a Ship before its Delivery obtained under clause 4 (*Conditions of Utilisation*) or any other asset over which additional security is provided under this clause 28 will be its value as most recently determined in accordance with this clause 28.

28.3 Valuation frequency

Valuation of each Mortgaged Ship and each Ship before its Delivery (and such other asset granted as security in accordance with this clause 28) shall be made:

- (a) at the time required in clause 4.2 (*Conditions precedent on Delivery*) and Schedule 3 (*Conditions precedent*);
- (b) within 30 days of the end of each Financial Year;
- (c) at any time a Ship is lost or becomes a Total Loss and a prepayment or cancellation is to take place under clause 8.8 (*Sale or Total Loss*) or security is to be released under clause 8.11 (*Release*); and
- (d) at any other time and frequency as may be requested by the Majority Lenders and/or Sinosure.

28.4 Expenses of valuation

The Borrowers shall bear, and reimburse to the Agent where incurred by the Agent, all costs and expenses of providing such a valuation except that if no Event of Default is continuing, the cost of valuations obtained pursuant to paragraph (d) of clause 28.3 (*Valuation frequency*) shall be borne by the Borrowers not more than once every calendar year.

28.5 Valuations procedure

The value of any Mortgaged Ship and each Ship before its Delivery shall be determined in accordance with, and by valuers approved and appointed in accordance with, this clause 28. Additional security provided under this clause 28 shall be valued in such a way, on such a basis and by such persons (including the Agent itself) as may be approved by the Majority Lenders or as may be agreed in writing by the Borrowers and the Agent (on the instructions of the Majority Lenders).

28.6 Currency of valuation

Valuations shall be provided by valuers in euro or, if a valuer is of the view that the relevant type of vessel is generally bought and sold in another currency, in that other currency. If a valuation is provided in another currency, for the purposes of this Agreement it shall be converted into euro at the Agent's spot rate of exchange for the purchase of euro with that other currency as at the date to which the valuation relates.

28.7 Basis of valuation

Each valuation will be addressed to the Agent in its capacity as such (or to the Parent or the Borrowers provided that such valuation is accompanied by full reliance and disclosure language in favour of the Finance Parties), will not be more than 30 days old (or 60 days old in relation to the valuations provided pursuant to paragraph 8 of Part 2 of Schedule 3 (*Conditions precedent*)) and will be made:

- (a) without physical inspection (unless required by the Agent);
- (b) on the basis of a sale for prompt delivery for a price payable in full in cash on delivery at arm's length on normal commercial terms between a willing buyer and a willing seller; and
- (c) without taking into account the benefit or detriment of any charter commitment.

28.8 Information required for valuation

The Borrowers shall promptly provide to the Agent and any such valuer any information which they reasonably require for the purposes of providing such a valuation.

28.9 Approval of valuers

All valuers must have been approved. The Agent may from time to time notify the Borrowers of approval of one or more independent ship brokers as valuers for the purposes of this clause 28. The Agent shall respond promptly to any request by the Borrowers for approval of a broker nominated by the Borrowers. The Agent may at any time by notice to the Borrowers withdraw any previous approval of a valuer for the purposes of future valuations. That valuer may not then be appointed to provide valuations unless it is once more approved. If the Agent has not approved at least three brokers as valuers at a time when a valuation is required under this clause 28, the Agent shall promptly notify the Borrowers of the names of at least three valuers which are approved. On the date of this Agreement the approved valuers are Clarksons, Fearnleys, Pareto and Braemar.

28.10 Appointment of valuers

When a valuation is required for the purposes of this clause 28, the Borrowers shall appoint approved valuers to provide such a valuation. If the Borrowers fail to appoint valuers, the Agent may appoint approved valuers to provide that valuation.

28.11 Number of valuers

- (a) Each valuation must be carried out by two approved valuers of whom one shall be nominated by the Agent and the other by the Borrowers. If the Borrowers fail promptly to nominate a second valuer then the Agent may nominate the second valuer. Clause 28.12 (*Differences in valuations*) shall apply.
- (b) If two valuers provide valuations and their valuations of any Mortgaged Ship or a Ship before its Delivery vary by more than 10% (by reference to the lower of the two valuations), then the value of that Mortgaged Ship or Ship before its Delivery shall be determined by reference to those two valuations and a third valuation provided by a third approved valuer nominated by the Agent. Clause 28.12 (*Differences in valuations*) shall apply.

28.12 Differences in valuations

- (a) If valuations provided by individual valuers differ, the value of the relevant Ship for the purposes of the Finance Documents will be the mean average of those valuations.
- (b) If any approved valuer provides a range of values for a Ship, the value of such Ship for the purposes of the Finance Documents will be the mean average of the values comprising such range.

28.13 Security shortfall

- (a) If at any time the Security Value is less than the Minimum Value, the Agent may, and shall, if so directed by the Majority Lenders, by notice to the Borrowers require that such deficiency be remedied. The Borrowers shall then within 30 Business Days of receipt of such notice ensure that the Security Value equals or exceeds the Minimum Value. For this purpose, the Borrowers may:
 - (i) provide additional security over assets reasonably approved by all the Lenders and in accordance with this clause 28 (including in the form of charged and/or pledged euro cash deposits which are hereby approved by all the Lenders and Sinasure); and/or
 - (ii) prepay a part of the Loan under clause 8.4 (*Voluntary prepayment*) and cancel a corresponding amount of the Active Facility under clause 7.3 (*Adjustment of scheduled repayments*).
- (b) Any prepayment made under paragraph (a) above shall be applied in reduction of both Advances pro rata and any corresponding cancellation of the Commitments shall be applied against all remaining Ship Commitments pro rata.
- (c) Any cancellation of part of the Active Facility pursuant to paragraph (a) above shall reduce the Total Commitments by the same amount.

28.14 Creation of additional security

The value of any additional security which the Borrowers offer to provide to remedy all or part of a shortfall in the amount of the Security Value will only be taken into account for the purposes of determining the Security Value if and when:

- (a) that additional security, its value and the method of its valuation have been approved by the Majority Lenders and Sinasure;

- (b) a Security Interest over that security has been constituted in favour of the Security Agent or (if appropriate) the Finance Parties in a form and manner approved by all the Lenders and Sinosure;
- (c) this Agreement has been unconditionally amended in such manner as the Agent requires in consequence of that additional security being provided; and
- (d) the Agent, or its duly authorised representative, has received such documents and evidence it may require in relation to that amendment and additional security including documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in relation to that amendment and additional security and its execution and (if applicable) registration.

28.15 Release of additional security

If at any time the Security Agent or any other Finance Parties hold additional security provided under this clause 28 and the Security Value, disregarding the value of that additional security, exceeds the Minimum Value and the Security Value has been determined by reference to valuations provided no more than 60 days previously, the Borrowers may, by notice to the Agent, require the release and discharge of that additional security. The Agent shall then direct the Security Agent to promptly release and discharge that additional security if no Default is then continuing or will result from such release and discharge and, upon such release and discharge and, if so required by the Agent, the Borrowers shall reimburse to the Agent any costs and expenses payable under clause 18 (*Transaction expenses*) in relation to that release and discharge.

29 Chartering undertakings

29.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 29 will be complied with in relation to each Mortgaged Ship which is subject to a Bareboat Charter and/or a Charter throughout the relevant Ship's Mortgage Period. Where a Mortgaged Ship is subject to a Bareboat Charter, all undertakings in this clause 29 given by the relevant Owner will be deemed to also be given by the relevant Bareboat Charterer under such Bareboat Charter.

29.2 Variations

- (a) Except with approval and except in connection with the immediate replacement of a Bareboat Charter with another Bareboat Charter entered into in accordance with the terms of clause 25.8 (*Chartering*), no terms of any Bareboat Charter for the Ship shall be varied, amended or modified in any way or manner, unless at that time no Initial Charter is valid and effective in respect of that Ship (but without prejudice and subject to the provisions of clauses 33.14(b) and (c) (*Initial Bareboat Charters and Initial Charters*) and clause 25.8 (*Chartering*)).
- (b) Except with approval, no terms of any Initial Charter for the Ship shall be varied, amended or modified in any way or manner which would result in an Event of Default pursuant to clauses 33.14(b) and (c) (*Initial Bareboat Charters and Initial Charters*) or a breach of clause 25.8 (*Chartering*).

29.3 Releases and waivers

- (a) Except with approval and except in connection with the immediate replacement of a Bareboat Charter with another Bareboat Charter entered into in accordance with the terms of clause 25.8 (*Chartering*), there shall be no release by the relevant Owner or Bareboat Charterer of any obligation of any other person under a Bareboat Charter (including by way of novation, assignment or transfer), no waiver of any breach of any such obligation and no consent to anything which would otherwise be such a breach unless at that time no Initial Charter is valid or effective in respect of that Ship (but without prejudice and subject to the provisions of clauses 33.14(b) and (c) (*Initial Bareboat Charters and Initial Charters*) and clause 25.8 (*Chartering*)).

- (b) Except with approval, there shall be no release by the relevant Owner or Bareboat Charterer of any obligation of any other person under any Initial Charter (including by way of novation, assignment or transfer), no waiver of any breach of any such obligation and no consent to anything which would otherwise be such a breach which would result in an Event of Default pursuant to clauses 33.14(b) and (c) (*Initial Bareboat Charters and Initial Charters*) or a breach of clause 25.8 (*Chartering*).

29.4 Termination by Owner or Bareboat Charterer

- (a) Except with approval and except in connection with the immediate replacement of a Bareboat Charter with another Bareboat Charter entered into in accordance with the terms of clause 25.8 (*Chartering*), neither the relevant Bareboat Charterer nor the relevant Owner shall terminate or rescind any Bareboat Charter for the Ship to which it is a party nor withdraw the Ship from service under any such Bareboat Charter or take any similar action unless, at that time no Initial Charter is valid and effective in respect of that Ship (but without prejudice and subject to the provisions of clauses 33.14(b) and (c) (*Initial Bareboat Charters and Initial Charters*)).
- (b) Except with approval, neither the relevant Bareboat Charterer nor the relevant Owner shall terminate or rescind any Initial Charter for the Ship to which it is a party nor withdraw the Ship from service under any such Initial Charter or take any similar action which would result in an Event of Default pursuant to clauses 33.14(b) and (c) (*Initial Bareboat Charters and Initial Charters*)).

29.5 Charter performance

Each relevant Bareboat Charterer and Owner shall perform its obligations under each Bareboat Charter for the Ship to which it is a party and use its best endeavours to ensure that each other party to them performs their obligations under such documents.

29.6 Notice of assignment

- (a) Forthwith following the entry into a Bareboat Charter, the Owner shall give notice of assignment of such Bareboat Charter to the other parties to such Bareboat Charter in the form specified by the relevant General Assignment for that Ship and shall ensure that the Agent receives a copy of that notice acknowledged by each addressee in the form specified therein. Without prejudice to the rights of the Finance Parties under the Finance Documents, if the Owner fails to give such notice promptly, the Agent may, and shall if so directed by the Majority Lenders, serve any such notice of assignment to the relevant parties to such Bareboat Charter in a timely manner.
- (b) Forthwith following the entry into a Charter (and any Charter Guarantee in respect of such Charter) and provided that an assignment of the Earnings under such Charter or Charter Guarantee (as applicable) will not constitute a breach of such Charter or Charter Guarantee (but without prejudice to the requirements of clause 25.8(e)), the Owner shall or shall procure that the relevant Bareboat Charterer shall, as applicable, give notice of assignment of the Earnings under such Charter and such Charter Guarantee to the other parties to such Charter and such Charter Guarantee in the form specified by the relevant General Assignment for that Ship (as applicable) and shall:
 - (i) unless paragraph (ii) below applies, use its reasonable endeavours to ensure that the Agent receives a copy of that notice acknowledged by each addressee in the form specified therein; or
 - (ii) where a Quiet Enjoyment Agreement has been or will be entered into in respect of such Charter, procure the receipt of the acknowledgement of such notice by such Charterer and such Charter Guarantor forthwith.

Without prejudice to the rights of the Finance Parties under the Finance Documents, if the Owner or relevant Bareboat Charterer fails to give such notice promptly, the Agent may,

and shall if so directed by the Majority Lenders, serve any such notice of assignment of Earnings to the relevant parties under such Charter and such Charter Guarantee in a timely manner.

29.7 Payment of Charter Earnings

All Earnings which the relevant Owner is entitled to receive under any Charter Documents or Bareboat Charter for the Ship shall be paid into the Earnings Account of the Owner of the Ship or, following an Event of Default, in the manner required by the Security Documents.

29.8 Minimum Bareboat Charter Hire

In the event that, due to applicable transfer pricing regulations, the Minimum Bareboat Charter Hire in respect of a Bareboat Charter of a Ship is insufficient to satisfy paragraphs (a), (b) and (c) in the definition of Minimum Bareboat Charter Hire, the Parent shall be required, on or before each date for the payment of hire under such Bareboat Charter, to pay by way of capital injection or similar payment an additional amount to the relevant Owner so that the total amount received by such Owner is no less than the amount they would have received had the relevant transfer pricing regulations not applied.

29.9 Quiet enjoyment

Upon the relevant Owner or, as applicable, Bareboat Charterer, delivering any Quiet Enjoyment Agreement for a Mortgaged Ship to the Security Agent duly executed by the other parties to it, the Finance Parties agree that the Security Agent will as soon as reasonably practicable thereafter duly execute and enter into such Quiet Enjoyment Agreement and return it to the relevant Owner or, as applicable, Bareboat Charterer.

30 Bank accounts

30.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 30 will be complied with throughout the Facility Period.

30.2 Earnings Account

- (a) Each Owner or all of the Owners jointly shall be the holder(s) of one or more Accounts with an Account Bank renominated in euro which is designated as an "Earnings Account" for the purposes of the Finance Documents.
- (b) Each Owner's Earnings of the Mortgaged Ships (including Earnings payable to an Owner under a Bareboat Charter of a Ship) and all moneys payable to the relevant Owner under each Ship's Insurances and any net amount payable to the Borrowers under any Hedging Contract shall be paid by the persons from whom they are due to an Earnings Account unless required to be paid to the Security Agent under the Finance Documents.
- (c) The relevant Account Holder(s) may withdraw amounts standing to the credit of an Earnings Account for any purpose which is not prohibited under this Agreement, except if an Event of Default is continuing.

30.3 Debt Service Reserve Account

- (a) Each Borrower shall be the holder of an Account with the Account Bank denominated in euro which is designated as a "Debt Service Reserve Account" for the purposes of the Finance Documents.
- (b) With effect on or from the first Utilisation Date in respect of an Advance, and at all times thereafter, there shall be maintained in the Debt Service Reserve Account held by the

Borrower that owns the Ship to which such Advance relates, such amount as will ensure that, on any date, the amount standing to the credit of that Debt Service Reserve Account is at least equal to the amount of principal and interest which falls due for payment by the Borrowers in respect of that Advance for a period of 3 Months commencing on such date.

- (c) No Borrower shall withdraw amounts standing to the credit of any Debt Service Reserve Account.

30.4 Other provisions

- (a) An Account may only be designated for the purposes described in this clause 30 if:
 - (i) such designation is made in writing by the Agent and acknowledged by the Borrowers and specifies the name and address of the Account Bank and the Account Holder(s) and the number and any designation or other reference attributed to the Account;
 - (ii) an Account Security has been duly executed and delivered by the relevant Account Holder(s) in favour of the Security Agent (and any other Finance Party required by the Agent);
 - (iii) any notice required by the Account Security to be given to an Account Bank has been given to, and acknowledged by, the Account Bank in the form required by the relevant Account Security; and
 - (iv) the Agent, or its duly authorised representative, has received such documents and evidence it may require in relation to the Account and the Account Security including documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in relation to the Account and the relevant Account Security.
- (b) The rates of payment of interest and other terms regulating any Account will be a matter of separate agreement between the relevant Account Holder(s) and an Account Bank.
- (c) The relevant Account Holder(s) shall not close any Account or alter the terms of any Account from those in force at the time it is designated for the purposes of this clause 30 or waive any of its rights in relation to an Account except with approval of all the Lenders.
- (d) The relevant Account Holder(s) shall deposit with the Security Agent all certificates of deposit, receipts or other instruments or securities relating to any Account, notify the Security Agent of any claim or notice relating to an Account from any other party and provide the Security Agent with any other information it may request concerning any Account.
- (e) Each of the Agent and the Security Agent agrees that if it is an Account Bank in respect of an Account then there will be no restrictions on creating a Security Interest over that Account as contemplated by this Agreement and it shall not (except with the approval of the Majority Lenders) exercise any right of combination, consolidation or set-off which it may have in respect of that Account in a manner adverse to the rights of the other Finance Parties.

31 Business restrictions

31.1 Undertaking to comply

Except as otherwise approved by the Majority Lenders, each Obligor who is a Party undertakes that this clause 31 will be complied with throughout the Facility Period by and in respect of each person to which each relevant provision of this clause is expressed to apply.

31.2 General negative pledge

- (a) In this clause 31.2, **Quasi-Security** means an arrangement or transaction described in paragraph (c) below.
- (b) No Borrower shall create or permit to subsist any Security Interest over any of its assets.
- (c) (Without prejudice to any other provision of this clause 31), no Borrower shall:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to, or re-acquired by, an Obligor or any other Group Member other than pursuant to disposals permitted under clause 31.11 (*Disposals*);
 - (ii) sell, transfer, factor or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (d) Paragraphs (b) and (c) above do not apply to any Security Interest or (as the case may be) Quasi-Security, listed below:
 - (i) those granted or expressed to be granted by any of the Security Documents;
 - (ii) in relation to a Mortgaged Ship, Permitted Maritime Liens;
 - (iii) any lien (other than maritime liens) arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any of the Borrowers;
 - (iv) any payment or close out netting or set-off arrangement or any security arrangement pursuant to any Hedging Contracts or foreign exchange transaction entered into by a Borrower;
 - (v) rights of netting or set-off over credit balances on bank accounts but only to the extent related to bank fees on the relevant bank accounts; or
 - (vi) in relation to Taxes not overdue, or, in the case of income and property taxes and assessments, which are being contested in good faith with due diligence and where the relevant Borrower or the Group as a whole has adequate cash reserves in excess of such contested sums.

31.3 Financial Indebtedness

No Borrower shall incur or permit to exist, any Financial Indebtedness owed by it to anyone else except:

- (a) Financial Indebtedness incurred under the Finance Documents and Hedging Contracts for Hedging Transactions entered into pursuant to clause 32.2 (*Hedging*);
- (b) Indebtedness owing to its trade creditors in the normal course of its business;
- (c) Financial Indebtedness owed to another Group Member on an unsecured and subordinated basis subject to a Subordination Deed previously entered into in respect of the same and then only provided that no Event of Default has occurred and is continuing at the time it is incurred and in any event on terms otherwise approved by the Majority Lenders and Sinosure;

- (d) Financial Indebtedness permitted under clause 31.4 (*Guarantees*);
and
- (e) Financial Indebtedness permitted under clause 31.5 (*Loans and credit*),

provided that any cash pooling arrangements on a Group wide basis for cash management purposes of the Group shall not constitute Financial Indebtedness for the purposes of clause 31.3.

31.4 Guarantees

No Borrower shall give or permit to exist, any guarantee by it in respect of indebtedness of any person or allow any of its indebtedness to be guaranteed by anyone else except:

- (a) guarantees of obligations of another Group Member that are not Financial Indebtedness or obligations prohibited by any Finance Document;
- (b) guarantees in favour of its own trade creditors for indebtedness owing to its trade creditors and given in the ordinary course of its business;
- (c) guarantees which are Financial Indebtedness permitted under clause 31.3 (*Financial Indebtedness*);
- (d) guarantees or indemnities from time to time required by any protection and indemnity or war risks association with which a Ship is entered;
and
- (e) any performance or similar guarantee issued by a Borrower or any counter guarantee issued by a Borrower in respect of any guarantee issued by any other person, in each case in relation to a Ship required in the ordinary course of business and operation of that Ship in support of a Charter or any other charter commitment for such Ship, up to an aggregate amount of 10% of the Contract Price (in euro equivalent terms) for that Ship for all such guarantees under this paragraph (e).

31.5 Loans and credit

No Obligor shall be a creditor in respect of Financial Indebtedness other than in respect of:

- (a) loans or credit to another Group Member permitted under clause 31.3 (*Financial Indebtedness*) or clause 31.4 (*Guarantees*) or loans or credit to any Group Member that is not an Obligor;
- (b) Financial Indebtedness owing to it by another Obligor on an unsecured and, in the case of Financial Indebtedness owing to it by a Borrower, subordinated basis subject to a Subordination Deed previously entered into in respect of the same and then only provided that no Event of Default has occurred and is continuing at the time it is incurred and in any event on terms otherwise approved by the Majority Lenders;
- (c) trade credit granted by it to its customers on normal commercial terms in the ordinary course of its trading activities;
and
- (d) loans to other Group Members arising under any cash pooling arrangements on a Group wide basis for cash management purposes of the Group.

31.6 Bank accounts, operating leases and other financial transactions

No Borrower shall:

- (a) maintain any current or deposit account with a bank or financial institution except for the Accounts and the deposit of money, operation of current accounts and the conduct of electronic banking operations with the Account Bank and through the Accounts; or

- (b) hold cash in any account (other than with the Account Bank and other than the Accounts) over or in respect of which any set-off, combination of accounts, netting or Security Interest exists except as permitted by clause 31.2 (*General negative pledge*).

31.7 Subsidiaries

No Borrower shall establish or acquire a company or other entity which would be or become a Group Member or reactivate any dormant Group Member.

31.8 Acquisitions and investments

No Borrower shall acquire any person, business, assets or liabilities or make any investment in any person or business or undertaking or enter into any joint-venture arrangement except:

- (a) any acquisition pursuant to a disposal permitted under clause 31.11 (*Disposals*);
- (b) acquisitions of assets in the ordinary course of business (not being new businesses or vessels);
- (c) the incurrence of liabilities in the ordinary course of its business;
or
- (d) any loan or credit not otherwise prohibited under this Agreement.

31.9 Reduction of capital

No Borrower shall redeem or purchase or otherwise reduce any of its equity or any other share capital or any warrants or any uncalled or unpaid liability in respect of any of them or reduce the amount (if any) for the time being standing to the credit of its share premium account or capital redemption or other undistributable reserve in any manner.

31.10 Increase in capital

No Borrower shall issue shares or other equity interests to anyone who is not the Parent or a wholly-owned Subsidiary of the Parent.

31.11 Disposals

No Borrower shall enter into a single transaction or a series of transactions, whether related or not and whether voluntarily or involuntarily, to sell, lease, transfer or otherwise dispose of any asset except for any of the following disposals (so long as they are not prohibited by any other provision of the Finance Documents):

- (a) disposals of assets made in (and on terms reflecting) the ordinary course of trading of the disposing entity;
- (b) disposals of obsolete assets, or assets which are no longer required for the purpose of the business of the relevant Borrower, in each case for cash on normal commercial terms and on an arm's length basis;
- (c) disposals permitted by clause 25.3 (*Sale or other disposal of Ship*), clause 31.2 (*General negative pledge*) or clause 31.3 (*Financial Indebtedness*);
- (d) dealings with its own trade creditors with respect to book debts in the ordinary course of trading;
and
- (e) the application of cash or cash equivalents in the acquisition of assets or services in the ordinary course of its business.

31.12 Contracts and arrangements with Affiliates

No Obligor shall be party to any arrangement or contract with any of its Affiliates unless such arrangement or contract is on an arm's length basis.

31.13 Distributions and other payments by Group

The Parent shall not:

- (a) declare or pay (including by way of set-off, combination of accounts or otherwise) any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital) or any warrants for the time being in issue;
- (b) repay or distribute any dividend or share premium reserve;
or
- (c) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so,

except (1) if no Event of Default is continuing at the time of the declaration, payment or making of any such dividend, distribution or other payment, nor would result from doing so and, (2) if:

- (i) it constitutes (A) a Permitted Distribution or (B) distributions granted to employees or officers of the Parent in respect of any share incentive plan or as salaries, bonus payments or any other payments relating to their employment with the Group; and
- (ii) the ratio of (A) Net Interest Bearing Debt to (B) EBITDA in respect of a Measurement Period that is a Financial Year, as certified in the then latest Compliance Certificate delivered to the Agent pursuant to the provisions of this Agreement, was lower than 2.75:1.00.

32 Hedging Contracts

32.1 Undertaking to comply

Each Obligor who is a Party undertakes that this clause 32 will be complied with throughout the Facility Period.

32.2 Hedging

- (a) If, at any time during the Facility Period, the Borrowers wish to enter into any Treasury Transaction so as to hedge all or any part of their exposure under this Agreement to interest rate fluctuations, they shall notify the Agent in writing.
- (b) Any such Treasury Transaction shall be concluded by the Borrowers only, with one or more of the Hedging Providers on the terms of a Hedging Master Agreement but (except with the approval of the Majority Lenders) no such Treasury Transaction shall be concluded unless:
 - (i)
 - (A) each of the Hedging Master Agreements has been executed by the Borrowers and each Hedging Provider;
 - (B) the Borrowers have executed the Hedging Contract Security;
and
 - (C) any notice required to be given to each Hedging Provider under the Hedging Contract Security has been given to it and acknowledged by it in the manner required by the Hedging Contract Security and all documents and evidence of the type required under Schedule 3 (*Conditions precedent*) in respect of the documents relevant to this paragraph (i) have been delivered to the Agent in form and substance satisfactory to the Agent;

- (ii) its purpose is to hedge the Borrowers' interest rate risk in relation to an Advance for a period expiring no later than the relevant Final Repayment Date; and
 - (iii) its notional principal amount, when aggregated with the notional principal amount of any other continuing Hedging Contracts for that Advance, does not and will not exceed that Advance as then scheduled to be repaid pursuant to clause 7.2 (*Scheduled repayment of Facility*).
- (c) The Hedging Providers shall have the right of first refusal to enter into Treasury Transactions under a Hedging Master Agreement which any Group Member (other than the Borrowers) is considering to enter into such Treasury Transactions for the purpose of hedging on competitive terms the Borrowers' and the Group's exposure to interest rate fluctuations under this Agreement.
- (d) Other than Hedging Transactions which meet the requirements of paragraphs (a) to (b) above, the Borrowers shall not enter into Treasury Transactions, except with approval.
- (e) The Borrowers shall, promptly upon entry into of any Confirmation under a Hedging Contract, deliver to the Agent an original or certified copy of such Confirmation.

32.3 Unwinding of Hedging Contracts

If at any time, and whether as a result of any prepayment (in whole or in part) of an Advance or any cancellation (in whole or in part) of any Commitment or Ship Commitment or otherwise, the aggregate notional principal amount under all Hedging Transactions in respect of the relevant Advance entered into by the Borrowers exceeds or will exceed the amount of the relevant Advance outstanding at that time after such prepayment or cancellation, then (unless otherwise approved by the Majority Lenders) the Borrowers shall immediately close out and terminate sufficient Hedging Transactions (pro rata across the relevant Hedging Master Agreements entered into between the relevant Borrower and each Hedging Provider in relation to the relevant Advance) as are necessary to ensure that the aggregate notional principal amount under the remaining continuing Hedging Transactions in relation to the relevant Advance equals, and will in the future be equal to, the amount of such Advance at that time and as scheduled to be repaid from time to time thereafter pursuant to clause 7.2 (*Scheduled repayment of Facility*).

32.4 Assignment of Hedging Contracts by Borrowers

Except as approved by all the Lenders or by the Hedging Contract Security, no Borrower shall assign or otherwise dispose of its rights under any Hedging Contract.

32.5 Information concerning Hedging Contracts

The Borrowers shall provide the Agent with any information it may request concerning any Hedging Contract, including all reasonable information, accounts and records that may be necessary or of assistance to enable the Agent to verify the amounts of all payments and any other amounts payable under the Hedging Contracts.

32.6 Guarantee and indemnity – Hedging Guarantors

- (a) Guarantee and indemnity

Without prejudice to the guarantee and indemnity in clause 19 (*Guarantee and indemnity*), each Hedging Guarantor irrevocably and unconditionally:

- (i) guarantees to each Hedging Provider punctual performance by each Borrower of all that Borrower's obligations under the relevant Hedging Master Agreements;
- (ii) undertakes with each Hedging Provider that whenever another Borrower does not pay any amount when due under or in connection with any Hedging Master

Agreement, that Hedging Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and

(iii) agrees with each Hedging Provider that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Hedging Provider immediately on demand against any cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by such Borrower under any Hedging Master Agreement on the date when it would have been due. The amount payable by a Hedging Guarantor under this indemnity will not exceed the amount it would have had to pay under this clause if the amount claimed had been recoverable on the basis of a guarantee.

(b) Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Borrower under the relevant Hedging Master Agreements, regardless of any intermediate payment or discharge in whole or in part.

(c) Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Borrower or any security for those obligations or otherwise) is made by any Hedging Provider in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Hedging Guarantor under this clause will continue or be reinstated as if the discharge, release or arrangement had not occurred.

(d) Waiver of defences

The obligations of each Hedging Guarantor under this clause 32.6 and in respect of any Security Interests created by the Security Documents will not be affected or discharged by an act, omission, matter or thing (whether or not known to it or the Hedging Provider) which, but for this paragraph (d), would reduce, release or prejudice any of its obligations under this clause 32.6 or in respect of any Security Interests created by the Security Documents (without limitation) including:

- (i) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Group Member;
- (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking up or enforcing, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
or

(vii) any insolvency or similar proceedings.

(e) Hedging Guarantor's intent

Without prejudice to the generality of paragraph (d) above, each Hedging Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Hedging Master Agreements and/or any facility or amount made available under any of the Hedging Master Agreements.

(f) Immediate recourse

Each Hedging Guarantor waives any right it may have of first requiring the Hedging Provider to proceed against or enforce any other rights or security or claim payment from any person (including without limitation to commence any proceedings under any Finance Document or to enforce any Security Interests created by the Security Documents) before claiming or commencing proceedings under this clause 32.6. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

(g) Appropriations

Until all amounts which may be or become payable by the Borrowers under or in connection with the Hedging Master Agreements have been irrevocably paid in full, each Finance Party may:

(i) refrain from applying or enforcing any other moneys, security or rights held or received by any Finance Parties in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Hedging Guarantor shall be entitled to the benefit of the same; and

(ii) hold in an interest-bearing suspense account any moneys received from any Hedging Guarantor or on account of any Hedging Guarantor's liability under this clause 32.6.

(h) Deferral of Hedging Guarantors' rights

All rights which each Hedging Guarantor at any time has (whether in respect of this guarantee, a mortgage or any other transaction) against any Borrower, any other Obligor or their respective assets shall be fully subordinated to the rights of the Finance Parties under the Finance Documents until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Hedging Guarantor will exercise any rights which it may have (whether in respect of any Finance Document to which it is a Party or any other transaction) by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this clause 32.6:

(i) to be indemnified by another Obligor;

(ii) to claim any contribution from any third party providing security for, or any other guarantor of, any Obligor's obligations under the Finance Documents;

(iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

- (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Hedging Guarantor has given a guarantee, undertaking or indemnity under this clause 32.6;
- (v) to exercise any right of set-off against any other Obligor; and/or
- (vi) to claim or prove as a creditor of any other Obligor in competition with any Finance Party.

If a Hedging Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Agent by the Obligors under or in connection with the Finance Documents to be repaid in full and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with clause 45 (*Payment mechanics*).

- (i) Additional security

This guarantee and any other security given by a Hedging Guarantor is in addition to and is not in any way prejudiced by, and shall not prejudice, any other guarantee or security or any other right of recourse now or subsequently held by any Finance Party or any right of set-off or netting or right to combine accounts in connection with the Finance Documents.

- (j) Applicability of provisions of Hedging Guarantee to other security

Clause 32.6(b) (*Continuing guarantee*), 32.6(c) (*Reinstatement*), clause 32.6(d) (*Waiver of defences*), clause 32.6(f) (*Immediate recourse*), clause 32.6(g) (*Appropriations*), clause 32.6(h) (*Deferral of Hedging Guarantors' rights*) and clause 32.6(i) (*Additional security*) shall apply, with any necessary modifications, to any security which a Hedging Guarantor creates (whether at the time at which it signs this Agreement or at any later time) to secure any or all amounts owing by any Obligor under the Finance Documents or any part of them.

33 Events of Default

Each of the events or circumstances set out in this clause 33 (except clause 33.21(*Acceleration*)) is an Event of Default.

33.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by administrative or technical error or by a Disruption Event; and
- (b) payment is made in full within 5 Business Days of its due date.

33.2 Hedging Contracts

An Event of Default or Potential Event of Default in respect of a Borrower (in each case as defined in any Hedging Master Agreement) has occurred and is continuing under any Hedging Contract.

33.3 Financial covenants; Sinosure Cover; Sanctions

- (a) The Obligors do not comply with clause 22(*Financial covenants*) or clause 28.13 (*Security shortfall*).
- (b) The Obligors do not comply with clause 23.14 (*Sinosure requirements*).

- (c) The Obligors do not comply with clause 23.13 (*Sanctions*) or any of paragraphs (b), (c) or (d) of clause 26.16 (*Lawful use*).

33.4 Insurance

- (a) The Insurances of a Mortgaged Ship are not placed and kept in force in the manner required by clause 27 (*Insurance*).
- (b) Any insurer

- (i) cancels any such Insurances;
or

- (ii) disclaims liability under them or asserts that its liability under them is or should be reduced by reason of any mis-statement or failure or default by any person,

unless such Insurances have been replaced (on terms compliant with the requirements of clause 27(*Insurance*)) by the Borrowers or the Parent with effect from the date of occurrence of the relevant circumstances under paragraphs (i) or (ii) above as applicable.

33.5 Other obligations

- (a) An Obligor or Manager does not comply with any provision of the Finance Documents (other than those referred to in clause 33.1(*Non-payment*), clause 33.2 (*Hedging Contracts*), clause 33.3 (*Financial covenants; Sinosure Cover; Sanctions*), clause 33.4 (*Insurance*) or any other provision of this clause 33).
- (b) No Event of Default under paragraph (a) above will occur if the Agent considers that the failure to comply is capable of remedy and the failure is remedied within fifteen (15) Business Days of the earlier of (A) the Agent giving notice to the Borrowers and (B) any of the Borrowers or any other Obligor or Manager becoming aware of the failure to comply.
- (c) No Event of Default will occur under this clause 33.5 by reason only of an Obligor's failure to comply with a Green Loan Provision.

33.6 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor or Manager in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document or any Sinosure Insurance Policy is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, unless (in the case of any misrepresentation other than one under clauses 20.23 (*Security and Financial Indebtedness*) or 20.34 (*Sanctions*)) the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 5 Business Days of the Agent giving notice to the Obligors to do so.
- (b) Any representation or statement made or deemed to be made by an Obligor under clause 20.23 (*Security and Financial Indebtedness*) is or proves to have been incorrect or misleading in any material respect when made or when deemed to be made, unless the Agent considers that the circumstances giving rise to the misrepresentation are capable of remedy and are so remedied within fifteen (15) Business Days of the earlier of (A) the Agent giving notice to the Borrowers and (B) any of the Borrowers or any other Obligor becoming aware of the misrepresentation.
- (c) No Event of Default will occur under this Clause 33.6 to the extent that the representation or statement is included in any Green Loan Provisions and concerns, or the document consists of, Green Loan Information.

33.7 Cross default

- (a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).
- (d) The counterparty to a Treasury Transaction entered into by any Obligor becomes entitled to terminate that Treasury Transaction early by reason of an event of default (however described).
- (e) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of that Obligor due and payable prior to its specified maturity as a result of an event of default (however described).
- (f) No Event of Default will occur under paragraphs (a) to (e) above if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (e) above is less than €10,000,000 (or its equivalent in any other currency or currencies).

33.8 Insolvency

- (a) An Obligor:
 - (i) is unable or admits inability to pay its debts as they fall due;
 - (ii) is deemed to, or is declared to, be unable to pay its debts under applicable law;
 - (iii) suspends or threatens to suspend making payments on any of its debts; or
 - (iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any Obligor is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

33.9 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or any of its assets (including the directors of any Obligor requesting a person to appoint any such officer in relation to it or any of its assets); or
 - (iv) enforcement of any Security Interest over any assets of any Obligor,

or any analogous procedure or step is taken in any jurisdiction.

- (b) Paragraph (a) above shall not apply to any winding-up petition (or analogous procedure or step) which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement or, if earlier, the date on which it is advertised.

33.10 Creditors' process

- (a) Any expropriation, attachment, sequestration, distress, execution or any other analogous process or enforcement action (including enforcement by a landlord) affects any asset or assets of any Obligor for an amount in excess of €10,000,000 (or its equivalent in any other currency or currencies) and is not discharged within thirty (30) days.
- (b) Any judgment or order for an amount in excess of €10,000,000 (or its equivalent in any other currency or currencies) is made against any Obligor and is not stayed or complied with within thirty (30) days.

33.11 Unlawfulness and invalidity

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any Transaction Security ceases to be effective.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document or any Transaction Security ceases to be in full force and effect or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective for any reason.
- (d) Any Security Document does not create legal, valid, binding and enforceable security over the assets charged under that Security Document or the ranking or priority of such security is adversely affected.

33.12 Cessation of business

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business except in the case of a Borrower as a result of the sale or Total Loss of its Ship and provided that the terms of clause 8.8 (*Sale or Total Loss*) and if applicable clause 8.11 (*Release*) have been complied with.

33.13 Initial Bareboat Charters and Initial Charters

- (a) Except with approval, any of the following events happens in respect of an Initial Bareboat Charter of a Mortgaged Ship:
 - (i) the Initial Bareboat Charter of any Mortgaged Ship is cancelled or rescinded or (except as a result of the relevant Mortgaged Ship being a Total Loss) frustrated; or
 - (ii) any Mortgaged Ship is withdrawn from service under the relevant Initial Bareboat Charter or the relevant Initial Bareboat Charter is terminated for any reason whatsoever, in each case before the time that such Bareboat Charter was scheduled to expire,unless at that time no Initial Charter is valid and effective in respect of that Mortgaged Ship (but without prejudice and subject to the provisions of paragraph (b) below).
- (b) Except with approval, any of the following events happens in respect of any Initial Charter for a Mortgaged Ship:

- (i) an Initial Charter of any Mortgaged Ship is cancelled or rescinded (whether before or after the time it was due to commence) or (except as a result of the relevant Mortgaged Ship being a Total Loss) frustrated (in each case, other than as a result of a wilful repudiation, termination or rescission by the Bareboat Charterer); or
- (ii) any Mortgaged Ship is withdrawn from service under any relevant Initial Charter or any relevant Initial Charter is terminated for any reason whatsoever, in each case before the time that such Initial Charter was scheduled to expire (other than as a result of a wilful repudiation, termination or rescission by the Bareboat Charterer),

unless such Initial Charter for the relevant Mortgaged Ship is replaced with another charter commitment or charter commitments on market terms and based on what is reasonably achievable in the given circumstances (each a **Replacement Initial Charter**) within 12 months with the effect that the timeline and particulars of employment for the relevant Mortgaged Ship delivered by the Borrowers to the Agent prior to the date of this Agreement as described in Schedule 2 (*Ship information*) continue (as updated) to provide for a minimum aggregate fixed hire period or total employment or service of at least 16 months over the course of a maximum period of 30 months from Delivery of that Mortgaged Ship, with deliveries or commissioning of the Mortgaged Ship under Initial Charters which allow for fulfilment of all such Initial Charters within 30 months from Delivery (to the satisfaction of the Majority Lenders and Sinasure acting reasonably). Any Replacement Initial Charter entered into in accordance with this paragraph (b) shall be an Initial Charter for the purposes of the Finance Documents. Any termination fee or other compensation paid to the relevant Bareboat Charterer or Owner by the relevant Charterer in respect of such cancelled, rescinded or terminated Initial Charter shall count proportionally towards the calculation of the 16 months period and, for the purpose of applying such termination fee or other compensation towards such calculation, it shall be equal to the Termination Fee Equivalent Hire Period.

- (c) Except with approval, any of the following events happens in respect of any Initial Charter for a Mortgaged Ship:

- (i) an Initial Charter of any Mortgaged Ship is cancelled or rescinded (whether before or after the time it was due to commence) as a result of a wilful repudiation, termination or rescission by the Bareboat Charterer; or
- (ii) any Mortgaged Ship is withdrawn from service under any relevant Initial Charter or any relevant Initial Charter is terminated for any reason whatsoever, in each case as a result of a wilful repudiation, termination or rescission by the Bareboat Charterer and before the time that such Initial Charter was scheduled to expire,

unless such Initial Charter for the relevant Mortgaged Ship is replaced with another charter commitment or charter commitments on substantially the same (or better) terms (each a **Replacement Initial Charter**) within 12 months with the effect that the timeline and particulars of employment for the relevant Mortgaged Ship delivered by the Borrowers to the Agent prior to the date of this Agreement as described in Schedule 2 (*Ship information*) continue (as updated) to provide for a minimum aggregate fixed hire period or total employment or service of at least 16 months over the course of a maximum period of 30 months from Delivery of that Mortgaged Ship, with deliveries or commissioning of the Mortgaged Ship under Initial Charters which allow for fulfilment of all such Initial Charters within 30 months from Delivery (to the satisfaction of the Majority Lenders and Sinasure acting reasonably). Any Replacement Initial Charter entered into in accordance with this paragraph (c) shall be an Initial Charter for the purposes of the Finance Documents.

33.14 Expropriation

The authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Obligor or any of its assets.

33.15 Repudiation and rescission of Finance Documents

An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

33.16 Litigation

Either:

- (a) any litigation, alternative dispute resolution, arbitration or administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened; or
- (b) any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made,

in relation to any Transaction Document or the transactions contemplated in the any Transaction Document or against any Obligor or any of its assets, rights or revenues which is reasonably likely to have a Material Adverse Effect.

33.17 Material Adverse Effect

Any event or circumstance (including any Environmental Incident or any change of law) occurs which has, or is reasonably likely to have, a Material Adverse Effect.

33.18 Arrest of Ship

Any Mortgaged Ship is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim and the relevant Owner fails to procure the release of such Mortgaged Ship within a period of 30 Business Days thereafter (or such longer period as may be approved) unless within such 30 Business Day Period the Borrowers prepay in full the Advance relating to that Ship and pay interest thereon together with all other amounts owing to the Finance Parties under the Finance Documents together with such prepayment.

33.19 Ship registration

Except with approval by the Majority Lenders and Sinosure, the registration of any Mortgaged Ship under the laws and flag of its Flag State is cancelled or terminated or, where applicable, not renewed or, if such Ship is only provisionally registered on the date of its Mortgage, such Ship is not permanently registered under such laws within 90 days of such date.

33.20 Political risk

- (a) Either (1) the Flag State of any Mortgaged Ship or any Relevant Jurisdiction of an Obligor becomes involved in hostilities or civil war or (2) there is a seizure of power in the Flag State or any such Relevant Jurisdiction by unconstitutional means and such event or circumstance, has or is reasonably likely to have, a Material Adverse Effect.
- (b) No Event of Default under paragraph (a) above will occur if:
 - (i) in the opinion of the Agent it is practicable for action to be taken by the Borrowers to prevent the relevant event or circumstance having a Material Adverse Effect; and
 - (ii) the Borrowers take such action to the Agent's satisfaction within 14 days of notice from the Agent (specifying the relevant action to be taken) to do so.

33.21 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders and Sinosure:

- (a) by notice to the Borrowers:
 - (i) declare that no withdrawals be made from any Account; and/or
 - (ii) cancel the Available Commitments of all the Lenders and/ or each Ancillary Commitment at which time they shall immediately be cancelled, and/or they shall immediately cease to be available for further utilisation; and/or
 - (iii) declare that all or part of the Advances, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
 - (iv) declare that all or part of the Advances be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
 - (v) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable, at which time they shall become immediately due and payable; and/or
 - (vi) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (b) exercise or direct the Security Agent and/or any other beneficiary of the Security Documents to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

34 Position of Hedging Providers

34.1 Rights of Hedging Providers

- (a) Each Hedging Provider is a Finance Party and, as such, will be entitled to share in the Transaction Security in respect of any liabilities of the Borrowers under the Hedging Contracts with such Hedging Provider in the manner and to the extent contemplated by the Finance Documents.
- (b) The Original Hedging Providers shall have the right of first refusal on any future Hedging Contracts in relation to the Ships or the Facility.

34.2 Voting rights

No Hedging Provider shall be entitled to vote on any matter where a decision of the Lenders alone is required under this Agreement, whether before or after the termination or close out of the Hedging Contracts with such Hedging Provider, provided that each Hedging Provider shall be entitled to vote on any matter where a decision of all the Finance Parties is expressly required.

34.3 Acceleration and enforcement of security

Neither the Agent nor the Security Agent or any other beneficiary of the Security Documents shall be obliged, in connection with any action taken or proposed to be taken under or pursuant to clause 33 (*Events of Default*) or pursuant to the other Finance Documents, to have any regard to the requirements or interests of any Hedging Provider except to the extent that the relevant Hedging Provider is also a Lender.

34.4 Close out of Hedging Contracts

- (a) The Parties agree that at any time on and after any Event of Default the Agent (acting on the instructions of the Majority Lenders) shall be entitled, by notice in writing to a Hedging Provider, to instruct such Hedging Provider to terminate and close out any Hedging Transactions (or part thereof) with the relevant Hedging Provider. The relevant Hedging Provider will (and shall be entitled to) terminate and close out the relevant Hedging Transactions (or parts thereof) and/or the relevant Hedging Contracts in accordance with such notice immediately upon receipt of such notice.
 - (b) No Hedging Provider shall be entitled to terminate or close out any Hedging Contract or any Hedging Transaction under it prior to its stated maturity except:
 - (i) in accordance with a notice served by the Agent under paragraph (a) above;
or
 - (ii) if the Borrowers have not paid amounts due under the Hedging Contract and such amounts remain unpaid for a period of 5 Business Days after the due date for payment and the Agent (acting on the instructions of the Majority Lenders) consents to such termination or close out; or
 - (iii) to comply with clause 32.3 (*Unwinding of Hedging Contracts*);
or
 - (iv) if the Hedging Provider ceases to be a Lender;
or
 - (v) any of the events set out in clause 33.8 (*Insolvency*) or clause 33.9 (*Insolvency process*) occurs in relation to any Borrower;
or
 - (vi) if the Agent takes any action under clause 33.21 (*Acceleration*);
or
 - (vii) if the Available Commitments of all the Lenders have been cancelled (or otherwise cease to be available), the Advances, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents (other than amounts outstanding under the Hedging Contracts) have been repaid by the Borrowers in full and the Facility has ceased to be available for further utilisation.
 - (c) If there is a net amount payable to any Borrower under a Hedging Transaction or a Hedging Contract upon its termination and close out, the relevant Hedging Provider shall forthwith pay that net amount (together with interest earned on such amount) to the Agent for application in accordance with clause 40.1 (*Order of application*).
 - (d) No Hedging Provider (in any capacity) shall set-off any such net amount against or exercise any right of combination in respect of any other claim it has against a Borrower.
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Section 9 - Changes to Parties

35 Changes to the Lenders

35.1 Assignments by the Lenders

Subject to this clause 35, a Lender (the **Existing Lender**) may assign any of its rights under any Finance Document to any of the following persons (the **New Lender**):

- (a) to another bank or financial institution or Sinosure;
and
- (b) following the occurrence of an Event of Default under clause 33.1 (*Non-Payment*), paragraph (c) of clause 33.3 (*Financial covenants; Sinosure Cover; Sanctions*), clause 33.8 (*Insolvency*) or clause 33.9 (*Insolvency proceedings*) that is continuing, also to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets, or to any insurance or reinsurance company, or to Sinosure or to any other person.

35.2 Borrower consultation; Sinosure approval; Hedging Providers

- (a) An Existing Lender must consult with the Borrowers and Sinosure for no more than 10 days (and for the avoidance of doubt there shall be no obligation to obtain the Borrowers' consent) before it may make an assignment under clause 35.1 (*Assignments by the Lenders*) unless the assignment is:
 - (i) to another Lender or to Sinosure or to an Affiliate of any Lender or of Sinosure;
 - (ii) to a fund which is a Related Fund of that Existing Lender;
or
 - (iii) made at a time when an Event of Default is continuing.
- (b) The consent of Sinosure is required for an assignment by a Lender of its Commitments and/or its participation in the Facility provided that such consent shall not be unreasonably withheld or delayed.
- (c) An Existing Lender who is also a Hedging Provider may not assign all of its Commitment and participation in the Facility unless at the same time it uses reasonable endeavours to procure that such Hedging Provider also assigns and transfers all of its rights and obligations under all Hedging Contracts and all Hedging Master Agreements to which it is a party to another Hedging Provider who is also a Lender (or will be the proposed New Lender in connection with the proposed assignment of the Commitment and/or participation of such Existing Lender).
- (d) The Borrowers shall procure that the provisions of paragraph (c) are complied with in the event that the relevant Existing Lender is a Lender being replaced pursuant to the provisions of clause 8.7 (*Replacement of Lender*).

35.3 Other conditions of assignment

- (a) An assignment will only be effective:
 - (i) on receipt by the Agent of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the Borrowers and the other Finance Parties as it would have been under if it had been an Original Lender;
 - (ii) on the Existing Lender and the New Lender entering into any documentation required for the New Lender to accede as a party to any Security Document to which the Existing Lender is a party in its capacity as a Lender and/or (if it will no longer

have an Available Commitment or participation in the Facility) to remove the Existing Lender as a party to and/or beneficiary of any such Security Document and, in relation to such Security Documents, completing any filing, registration or notice requirements;

- (iii) on the performance by the Agent of all necessary “know your customer” or similar checks under all applicable laws and regulations relating to any person that it is required to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender;
 - (iv) if that Existing Lender assigns equal fractions of its Commitment and participation in each Advance and each Utilisation (if any) under the Facility; and
 - (v) if the total amount of participation and Commitment of the Existing Lender being assigned is not less than €1,000,000.
- (b) Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with the Finance Documents on or prior to the date on which the assignment becomes effective in accordance with the Finance Documents and that it is bound by that decision to the same extent as the Existing Lender would have had it remained a Lender.

35.4 Processing fee

The New Lender (save for Sinosure in respect of an assignment to it) shall, on the date upon which an assignment takes effect, pay to the Agent (for its own account) a fee of €5,000.

35.5 Processing expenses

The New Lender shall, in addition to any fee payable under clause 35.4(*Processing fee*), promptly on demand, pay the Agent the amount of:

- (a) all costs and expenses (including legal fees) reasonably incurred by the Agent or the Security Agent in connection with any such assignment; and
- (b) any cost, loss or liability the Agent or the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any such assignment.

35.6 Transfer costs and expenses relating to security

The New Lender shall, promptly on demand, pay the Agent and the Security Agent the amount of:

- (a) all costs and expenses (including legal fees) reasonably incurred by the Agent or the Security Agent to facilitate the accession by the New Lender to, or assignment or transfer to the New Lender of, any Security Document granted in favour of (among others) the Lenders and/or the benefit of any such Security Document and any appropriate registration of any such accession or assignment or transfer; and
- (b) any cost, loss or liability the Agent or the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any such accession, assignment or transfer.

35.7 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

- (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Transaction Security or any other documents;
- (ii) the financial condition of any Obligor;
- (iii) the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
- (iv) the performance and observance by any Obligor or any other person of its obligations under the Finance Documents or any other documents; or
- (v) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

- (i) has made (and shall continue to make) its own independent investigation and assessment of:
 - (A) the financial condition and affairs of the Obligors and their related entities in connection with its participation in this Agreement; and
 - (B) the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
- (ii) will continue to make its own independent appraisal of the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
- (iii) has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and
- (iv) will continue to make its own independent appraisal of the creditworthiness of each Obligor, Sinosure and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

- (c) Nothing in any Finance Document obliges an Existing Lender to:

- (i) accept a re-assignment from a New Lender of any of the rights assigned under this clause 35; or
- (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under any Transaction Document or by reason of the application of any Basel Regulation to the transactions contemplated by the Transaction Documents or otherwise.

35.8 Procedure available for assignment

- (a) Subject to the conditions set out in clause 35.2 (*Borrower consultation; Sinosure approval; Hedging Providers*) and clause 35.3 (*Other conditions of assignment*) an assignment may be effected in accordance with paragraph (d) below when (a) the Agent executes an otherwise duly completed Transfer Certificate and (b) the Agent executes any document required under paragraph (a) of clause 35.3 (*Other conditions of assignment*) which it may be necessary for it to execute in each case delivered to it by the Existing Lender and the New Lender duly executed by them and, in the case of any such other document, any other relevant person. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable (and in any event within 5 Business Days) after receipt by it of a Transfer Certificate and any such other document each duly completed, appearing on its face to

comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and such other document.

- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) The Obligors who are Parties and the other Finance Parties irrevocably authorise the Agent to execute any Transfer Certificate on their behalf without any consultation with them.
- (d) Subject to clause 35.12 (*Transfer to Sinosure*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Transfer Certificate;
 - (ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the **Relevant Obligations**) and expressed to be the subject of the release in the Transfer Certificate (but the obligations owed by the Obligors under the Finance Documents shall not be released); and
 - (iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.
- (e) Lenders may utilise procedures other than those set out in this clause 35.8 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with this clause 35.8 to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) provided that they comply with the conditions set out in clause 35.2 (*Borrower consultation; Sinosure approval; Hedging Providers*) and clause 35.3 (*Other conditions of assignment*).

35.9 Copy of Transfer Certificate to Borrowers

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate and any other document required under paragraph (a) of clause 35.3 (*Other conditions of assignment*), send a copy of that Transfer Certificate and such other documents to the Borrowers.

35.10 Security over Lenders' rights

In addition to the other rights provided to Lenders under this clause 35, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank);
- (b) any assignment to a special purpose vehicle set up by a Lender or Affiliate of any Lender where a charge, assignment or other Security Interest is to be created over securities issued by such special purpose vehicle in favour of a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank); and
- (c) any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or other Security Interest shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security Interest for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

35.11 Pro rata interest settlement

- (a) In respect of any assignment pursuant to clause 35.8 (*Procedure for assignment*) the Transfer Date of which, in each case, is not on the last day of an Interest Period:
 - (i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (Accrued Amounts) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six months, on the next of the dates which falls at six monthly intervals after the first day of that Interest Period); and
 - (ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
 - (A) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and
 - (B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this clause 35.11, have been payable to it on that date, but after deduction of the Accrued Amounts.
- (b) In this clause references to Interest Period shall be construed to include a reference to any other period for accrual of fees.

35.12 Transfer to Sinosure

- (a) If a Lender receives a payment from Sinosure under any Sinosure Insurance Policy in respect of its participation in an Advance, then, to the extent that it is required to do so by Sinosure pursuant to the terms of the relevant Sinosure Insurance Policy, that Lender shall, at the cost of the Borrowers and without the Borrowers' consent, assign to Sinosure a part of its participation in the relevant Advance equal to the amount paid to it by Sinosure (but the assignment shall not limit the rights of that Lender to recover any remaining part of its participation in that Advance or of any other moneys owing to it). Provided however that if Sinosure makes any payment to the Lenders under a Sinosure Insurance Policy:
 - (i) the obligations of the Obligors and the Finance Parties (and of any of them) under this Agreement and each of the Finance Documents shall not be discharged nor affected in any way;
 - (ii) Sinosure shall be subrogated to the respective rights of the Lenders (to the extent of such payment) against the Obligors and the Finance Parties;
 - (iii) Sinosure shall be entitled to the extent of such payment to exercise the respective rights of the Lenders (whether present or future) against the Obligors and the Finance Parties (and against any of them) pursuant to this Agreement and the Finance Documents or any relevant laws and/or regulations unless and until such payment and the interest accrued thereon are fully reimbursed to Sinosure; and
 - (iv) with respect to the obligations of the Obligors owed to the Finance Parties under the Finance Documents (or any of them) and, to the extent of such payment, such

obligations shall additionally be owed to Sinosure by way of subrogation of the rights of the Finance Parties.

- (b) Each of the Lenders agrees that as soon as all moneys due under a Sinosure Insurance Policy have been finally paid in full by Sinosure then each of the relevant Lenders shall promptly transfer to Sinosure 90 per cent of their respective Commitments, participations and other rights under the Facility, each in respect of the relevant Advance, in proportion to and in accordance with the schedule of payments made by Sinosure under the Sinosure Insurance Policy whereupon Sinosure shall, upon receipt by the Agent of a duly completed Transfer Certificate, and modified to the extent agreed between the Finance Parties and Sinosure for consistency with the terms and conditions of the Sinosure Insurance Policy, be a transferee and as such shall be entitled to the rights and benefits of the Lenders under the Finance Documents to the extent of its participation. Notwithstanding any provisions to the contrary in any Finance Document, the Borrowers consent to such assignment and transfer.
- (c) The Borrowers shall indemnify Sinosure in respect of any costs or expenses (including legal fees) suffered or incurred by Sinosure in connection with the transfer referred to hereinabove or in connection with any review by Sinosure of any Default or dispute between the Borrowers and any of the Finance Parties occurring prior to the transfer referred to hereinabove.

35.13 Accession of Hedging Providers to this Agreement

Any Party (other than an Original Lender) which becomes a Lender after the date of this Agreement with a Commitment which represents at least 5 per cent of the Total Commitments at the time it becomes a Lender shall, at the same time, become a Party to this Agreement as a Hedging Provider.

36 Changes to the Obligors

36.1 Assignment and transfers by Obligors

Except with the prior written consent of all the Lenders and Sinosure, no Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

36.2 Prohibition on Debt Purchase Transactions by the Group

The Obligors shall not, and the Parent shall procure that each Group Member shall not, enter into any Debt Purchase Transaction or be a Lender or beneficially own all or any part of the share capital of a company that is or is to be a Lender or a party to a Debt Purchase Transaction of the type referred to in the definition of Debt Purchase Transaction.

36.3 Disenfranchisement of Debt Purchase Transactions entered into by Parent Affiliates

- (a) For so long as a Parent Affiliate (i) beneficially owns a Commitment or (ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated:
 - (i) in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments or any agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, such Commitment shall be deemed to be zero; and
 - (ii) for the purposes of clause 51.2 (*All Lender matters*), such Parent Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender for the purpose of paragraph (i) above (unless, in the case of a person not being a Parent Affiliate, it is a Lender by virtue otherwise than by beneficially owning the relevant Commitment).

- (b) Each Lender shall, unless such Debt Purchase Transaction is an assignment or transfer, promptly notify the Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Parent Affiliate (a **Notifiable Debt Purchase Transaction**), such notification to be substantially in the form set out in Part 1 of Schedule 12 (*Forms of Notifiable Debt Purchase Transaction Notice*).
- (c) No Lender shall knowingly enter into any Notifiable Finance Purchase Transaction unless such Notifiable Finance Purchase Transaction relates to the entirety of its Commitment in the Facility.
- (d) A Lender shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:
 - (i) is terminated;
or
 - (ii) ceases to be with a Parent Affiliate,

such notification to be substantially in the form set out in Part 2 of Schedule 12 (*Forms of Notifiable Debt Purchase Transaction Notice*).

- (e) Each Parent Affiliate that is a Lender agrees that:
 - (i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and
 - (ii) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of or addressed to, the Agent or one or more of the Lenders. For the avoidance of doubt the only information the Lender is entitled to receive are operational notices for that Lender in connection with their Commitment.

36.4 Parent Affiliates' notification to other Lenders of Debt Purchase Transactions

Any Parent Affiliate which is or becomes a Lender and which enters into a Debt Purchase Transaction as a purchaser or a participant shall, by 5.00 pm on the Business Day following the day on which it entered into the Debt Purchase Transaction, notify the Agent of the extent of the Commitment(s) or amount outstanding to which that Debt Purchase Transaction relates. The Agent shall promptly disclose such information to the Lenders.

36.5 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraph (c) of clause 21.13 (*"Know your customer" checks*), the Parent may request that any of its Subsidiaries becomes an Additional Guarantor (1) for the purposes of clause 25.8(b) or (c) (*Chartering*) where there is a change of Bareboat Charterer of a Ship and the proposed Bareboat Charterer of that Ship is not already a Guarantor or (2) for the purposes of a transfer of shares in a Borrower to an Approved Shareholder such that such change does not constitute or result in a Change of Control. That Subsidiary shall become an Additional Guarantor if:
 - (i) it is a direct or indirect (and wholly-owned unless it is to be a Bareboat Charterer under a JV Bareboat Charter for that Ship) Subsidiary of the Parent;
 - (ii) it is incorporated, registered or formed in the same jurisdiction as the Parent, any EEA Member Country, the United States of America or such other jurisdiction as approved by the Lenders and Sinasure;
 - (iii) the Parent and that Subsidiary deliver to the Agent a duly completed and executed Accession Deed (at the cost and expense of the Borrowers);

- (iv) the Agent has received all of the documents and other evidence listed in Part 3 of Schedule 3 (*Conditions precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent and at the cost and expense of the Borrowers;
 - (v) the Parties have entered into such other amendments and documents (including any amendment to this Agreement and to any of the other Finance documents, including additional Security Interests where required) as the Finance Parties may require in respect of the above matters (at the cost and expense of the Borrowers); and
 - (vi) the entry by the Parties into any of the above documents does not otherwise constitute a Default nor would otherwise cause or result in a Default (and the Parent confirms the same in writing to the Agent).
- (b) The Agent shall notify the Parent, the Lenders and Sinasure promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 3 of Schedule 3 (*Conditions precedent*) and those listed in any of the preceding paragraphs of this clause 36.5 in each case in respect of an Additional Guarantor.
- (c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
- (d) With effect on the date of delivery of the duly executed Accession Deed to the Agent and the Security Agent in respect of an Additional Guarantor (the **Relevant Additional Guarantor**) and provided that on or before such date the Agent has given the notification described in paragraph (b) above in respect of the Relevant Additional Guarantor:
- (i) the Parties hereby agree and confirm that the Relevant Additional Guarantor will be made an additional party to this Agreement, as joint and several guarantor with the Guarantors as at the date of this Agreement (the **Original Guarantors**) and any other Additional Guarantor previously made a guarantor under this Agreement pursuant to this clause 36.7 (a **Previously Acceded Additional Guarantor**), and this Agreement shall henceforth be construed and treated in all respects as if references therein to "Guarantors" included references to the Relevant Additional Guarantor in addition to the Original Guarantors and any Previously Acceded Additional Guarantor.
 - (ii) the Parties hereby agree and confirm that the Relevant Additional Guarantor will be bound by the terms of this Agreement as if it had all times been named therein as Guarantor;
 - (iii) the Relevant Additional Guarantor agrees that it will duly and punctually perform all the liabilities and obligations whatsoever from time to time to be performed or discharged by the Original Guarantors and any Previously Acceded Additional Guarantor under this Agreement (and for which the Original Guarantors, any Previously Acceded Additional Guarantor and the Relevant Additional Guarantor hereby agree to be jointly and severally liable); and
 - (iv) without prejudice to the generality of paragraphs (ii) and (iii) above, the Relevant Additional Guarantor agrees that it will be a guarantor under the Guarantee in respect of the full amount of the Loan, interest thereon and all other sums which may be or become due to the Finance Parties pursuant to any of the Finance Documents.

36.6 Repetition of Representations

Delivery of an Accession Deed in respect of an Additional Guarantor constitutes confirmation by that Additional Guarantor that the representations and warranties referred to in paragraph (d) of

Section 10 - The Finance Parties

37 Roles of Agent, Security Agent, Sinosure Agent and Arranger

37.1 Appointment of the Agent and Security Agent

Each other Finance Party (other than the Security Agent) appoints:

- (a) the Agent to act as its agent under and in connection with the Finance Documents and each Sinosure Insurance Policy and as its agent and as trustee under the Security Documents;
- (b) the Security Agent to act as its agent and as trustee under the Finance Documents to which it is or is intended to be a party; and
- (c) the Security Agent as agent (in Danish: *fuldmægtig and repræsentant*) to receive and hold the Transaction Security under the Security Documents governed by Danish law on behalf of and for the benefit of the Finance Parties and to be entitled to exercise all rights and remedies under and in accordance with such Security Documents in its own name or in the name of any of the Finance Parties and the Security Agent agrees to receive and hold the Transaction Security accordingly. The Security Documents shall be granted by the relevant Obligors to the Security Agent as agent (in Danish: *fuldmægtig and repræsentant*) for the Finance Parties in accordance with Section 18(1), cf. Section 1(2) of the Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*). Each Obligor acknowledges that the Security Agent shall act as agent (in Danish *fuldmægtig and repræsentant*) for the Finance Parties.

37.2 Security Agent as trustee

The Security Agent declares that it holds the Security Property on trust for itself and the other Finance Parties on the terms contained in this Agreement.

37.3 Authorisation of Agent and Security Agent

Each of the Finance Parties authorises the Agent and the Security Agent:

- (a) to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent or (as the case may be) the Security Agent under or in connection with the Finance Documents and each Sinosure Insurance Policy together with any other incidental rights, powers, authorities and discretions; and
- (b) to execute each of the Security Documents and all other documents that may be approved by the Majority Lenders for execution by it.

37.4 Instructions to Agent and the Security Agent

- (a) The Agent and the Security Agent shall:
 - (i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent or (as the case may be) the Security Agent in accordance with any instructions given to it by:
 - (A) all the Lenders or the Majority Lenders and/or Sinosure (as the case may be) if the relevant Finance Document stipulates the matter requires such decision; and
 - (B) in all other cases, the Majority Lenders; and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if the relevant Finance Document stipulates the matter

is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).

- (b) The Agent and the Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties or Sinosure, from that Finance Party or group of Finance Parties or Sinosure) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent or (as the case may be) the Security Agent may refrain from acting unless and until it receives those instructions or that clarification.
- (c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties or Sinosure under the relevant Finance Document and, unless a contrary indication appears in a Finance Document, any instructions given to the Agent or (as the case may be) the Security Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) Paragraph (a) above shall not apply:
 - (i) where a contrary indication appears in a Finance Document;
 - (ii) where a Finance Document requires the Agent or the Security Agent to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Agent's or the Security Agent's own position in its personal capacity as opposed to its role of the Agent or the Security Agent for the Finance Parties including, without limitation, clauses 37.9 (*No duty to account*) to clause 37.14 (*Exclusion of liability*), clause 37.20 (*Confidentiality*) to clause 38.6 (*Custodians and nominees*) and clauses 38.9 (*Acceptance of title*) to 38.12 (*Disapplication of Trustee Acts*).
- (e) If giving effect to instructions given by any other Finance Party or group of Finance Parties would (in the Agent's or (as the case may be) the Security Agent's opinion) have an effect equivalent to an amendment or waiver which is subject to clause 51 (*Amendments and waivers*), the Agent or (as the case may be) the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than itself) whose consent would have been required in respect of that amendment or waiver.
- (f) The Agent or the Security Agent may refrain from acting in accordance with any instructions of any other Finance Party or group of Finance Parties or Sinosure until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.
- (g) Without prejudice to the provisions of clause 39 (*Enforcement of Transaction Security*) and the remainder of this clause 37, in the absence of instructions, the Agent and the Security Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

37.5 Legal or arbitration proceedings

Neither the Agent nor the Security Agent is not authorised to act on behalf of another Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document or Sinosure Insurance Policy. This clause 37.5 shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security.

37.6 Duties of the Agent and the Security Agent

- (a) The Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Agent or (as the case may be) the Security Agent shall promptly
 - (i) (in the case of the Security Agent) forward to the Agent a copy of any document received by the Security Agent from any Obligor under any Finance Document; and
 - (ii) forward to a Party the original or a copy of any document which is delivered to the Agent or (as the case may be) the Security Agent for that Party by any other Party.
- (c) Without prejudice to clause 35.9 (*Copy of Transfer Certificate to Borrowers*), paragraph (b) above shall not apply to any Transfer Certificate.
- (d) Except where a Finance Document specifically provides otherwise, neither the Agent nor the Security Agent is obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) Without prejudice to clause 40.12 (*Notification of prescribed events*), if the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties and Sinosure through the Sinosure Agent.
- (f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or an Arranger or the Security Agent for their own account) under this Agreement, it shall promptly notify the other Finance Parties and Sinosure through the Sinosure Agent.
- (g) The Agent and the Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

37.7 Role of the Arrangers

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document or the transactions contemplated by the Finance Documents.

37.8 No fiduciary duties

Nothing in any Finance Document constitutes the Agent, the Security Agent, the Sinosure Agent or any Arranger as a trustee or fiduciary of any other person except to the extent that the Security Agent acts as trustee for the other Finance Parties pursuant to clause 37.1(c) (*Security Agent as trustee*).

37.9 No duty to account

None of the Agent, the Security Agent, the Sinosure Agent, any Arranger or any Ancillary Lender shall be bound to account to any other Finance Party for any sum or the profit element of any sum received by it for its own account.

37.10 Business with the Group

The Security Agent, the Sinosure Agent, Arranger and each Ancillary Lender may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Obligor or other Group Member or their Affiliates.

37.11 Rights and discretions of the Agent and the Security Agent

- (a) The Agent and the Security Agent may:
- (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
 - (ii) assume that:
 - (A) any instructions received by it from the Majority Lenders, any Lenders or other Finance Parties or any group of Lenders or other Finance Parties are duly given in accordance with the terms of the Finance Documents;
 - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
 - (C) in the case of the Security Agent, if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Finance Documents for so acting have been satisfied; and
 - (iii) rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Agent and the Security Agent may assume (unless it has received notice to the contrary in its capacity as agent or (as the case may be) security trustee for the other Finance Parties) that:
- (i) no Default has occurred (unless (in the case of the Agent) it has actual knowledge of a Default arising under clause 33.1/(*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and
 - (iii) any notice or request made by the Borrowers (other than (in the case of the Agent) a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) Each of the Agent and the Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below each of the Agent and the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to it (and so separate from any lawyers instructed by the Lenders or any other Finance Party) if it, in its reasonable opinion, deems this to be desirable.
- (e) Each of the Agent and the Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts (whether obtained by it or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

- (f) The Agent, the Security Agent, any Receiver and any Delegate may act in relation to the Finance Documents, the Transaction Security and the Security Property through its officers, employees and agents and shall not:
 - (i) be liable for any error of judgment made by any such person;
or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person,

unless such error or such loss was directly caused by the Agent's, the Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct.

- (g) Unless any Finance Document expressly specifies otherwise, the Agent or the Security Agent may disclose to any other Party any information it reasonably believes it has received as agent or security trustee under this Agreement.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Security Agent nor any Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (i) Notwithstanding any provision of any Finance Document to the contrary, neither the Agent nor the Security Agent is obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
- (j) Neither the Agent nor any Arranger shall be obliged to request any certificate, opinion or other information under clause 21 (*Information undertakings*) unless so required in writing by a Lender or any Hedging Provider, in which case the Agent shall promptly make the appropriate request of the Borrowers if such request would be in accordance with the terms of this Agreement.

37.12 Responsibility for documentation and other matters

- (a) None of the Agent, the Security Agent, any Arranger, any Ancillary Lender, any Receiver or any Delegate is responsible or liable for:
 - (i) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Security Agent, any Arranger, an Ancillary Lender, an Obligor or any other person in or in connection with any Finance Document, any Sinosure Insurance Policy or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document and any Sinosure Insurance Policy;
 - (ii) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, any Sinosure Insurance Policy, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document, any Sinosure Insurance Policy, the Transaction Security or the Security Property;
 - (iii) the application of any Basel Regulation to the transactions contemplated by the Finance Documents or the Sinosure Insurance Policies;
 - (iv) (in the case of the Security Agent) any loss to the Security Property arising in consequence of the failure, depreciation or loss of any Charged Property or any investments made or retained in good faith or by reason of any other matter or thing;

- (v) the failure of any Obligor or Sinosure or any other party to perform its obligations under any Transaction Document or any Sinosure Insurance Policy or the financial condition of any such person;
 - (vi) (save as otherwise provided in this clause 37) taking or omitting to take any other action under or in relation to the Security Documents;
 - (vii) failing to register any of the Security Documents or any Sinosure Insurance Policy in accordance with the provisions of the documents of title of any Obligor to any of the Charged Property;
 - (viii) any other beneficiary of a Security Document failing to perform or discharge any of its duties or obligations under any Finance Document;
or
 - (ix) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by any applicable law or regulation relating to insider dealing or otherwise.
- (b) The Agent is not responsible or liable for the adequacy, accuracy or completeness of any Green Loan Information (whether oral or written) supplied by a Borrower, any Group Member, the External Reviewer or any other person in or in connection with any Green Loan Report and/or any Green Loan Provisions contemplated in this Agreement or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Facility.

37.13 No duty to monitor

Neither the Agent nor the Security Agent shall be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party or any Obligor of its obligations under any Finance Document;
or
- (c) whether any other event specified in any Finance Document has occurred.
- (d) whether or not any Declassification Event, Green Loan or a Green Loan Compliance Certificate Inaccuracy has occurred;
or
- (e) as to the performance, default or any breach by any Obligor of its obligations under any Green Loan Provision.

37.14 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent, the Security Agent, any Ancillary Lender, any Receiver or Delegate), none of the Agent, the Security Agent, any Ancillary Lender, any Receiver nor any Delegate will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Security Property or any Sinosure Insurance Policy, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Security Property, any Sinosure Insurance Policy or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, any Sinosure Insurance Policy or the Security Property;

- (iii) any shortfall which arises on the enforcement or realisation of the Security Property;
or
- (iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control;
or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event), breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party (other than the Agent, the Security Agent, an Ancillary Lender, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Agent, the Security Agent, any Ancillary Lender, a Receiver or a Delegate in respect of any claim it might have against the Agent, the Security Agent, an Ancillary Lender, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document, any Sinusure Insurance Policy or any Security Property and any officer, employee or agent of the Agent, the Security Agent, any Ancillary Lender, a Receiver or a Delegate may rely on this clause subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) Neither of the Agent or the Security Agent will be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.
- (d) Nothing in any Finance Document shall oblige the Agent the Security Agent, or any Arranger to carry out
 - (i) any "know your customer" or other checks in relation to any person;
or
 - (ii) any check on the extent to which any transaction contemplated by any of the Finance Documents might be unlawful for any Finance Party or for any Affiliate of any Finance Party,on behalf of any other Finance Party and each other Finance Party confirms to the Agent, the Security Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent, the Security Agent or any Arranger.
- (e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Agent, the Security Agent, any Receiver or any Delegate, any liability of the Agent, the Security Agent, any Receiver or any Delegate arising under or in connection with any Finance Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent, the Security Agent, Receiver or Delegate (as the case may be) or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent, the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the

amount of that loss. In no event shall the Agent, the Security Agent, any Receiver or any Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent, the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages.

- (f) The Agent is not acting in an advisory capacity to any person in respect of the GLP nor will the Agent be obliged to verify whether any Facility will comply with the GLP on behalf of any of the Finance Parties or Sinusure and each Finance Party and Sinusure is solely responsible at all times for making its own independent appraisal of, and analysis in relation to, each Green Asset Criteria, the Green Loan Information and any other Green Loan Provision of this Agreement.

37.15 Lenders' indemnity to the Agent and others

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their being reduced to zero) indemnify the Agent, the Security Agent, every Receiver and every Delegate, within three Business Days of demand, against any Losses (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them (otherwise than by reason of the relevant Agent's, Security Agent's Receiver's or Delegate's gross negligence or wilful misconduct) (or, in the circumstances contemplated pursuant to clause 45.10 (*Disruption to payment systems etc.*), notwithstanding the Agent's negligence, gross negligence, or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent, Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Finance Documents and, to the extent applicable, the Sinusure Insurance Policies (unless the relevant Agent, Security Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) Subject to paragraph (c) below, the Borrowers shall immediately on demand reimburse any Lender for any payment that Lender makes to the Agent or the Security Agent or any Receiver or Delegate pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent or the Security Agent to an Obligor.

37.16 Resignation of the Agent or the Security Agent

- (a) The Agent or the Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties, the Sinusure Agent and the Borrowers.
- (b) Alternatively, the Agent or the Security Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent or Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent or Security Agent (after consultation with (in the case of the Agent) the Borrowers) or (in the case of the Security Agent) the Agent may appoint a successor Agent or Security Agent.
- (d) If the Agent or the Security Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent or trustee and the Agent or the Security Agent is entitled to appoint a successor Agent or (as the case may be) the Security Agent under paragraph (c) above, the Agent or (as the case may be) the Security Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent or (as the case may be) the Security Agent to become a party to this Agreement as Agent or (as the case may be) the Security Agent)

agree with the proposed successor Agent or (as the case may be) the Security Agent amendments to this clause 37 and any other term of this Agreement dealing with the rights or obligations of the Agent or (as the case may be) the Security Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the fee payable to it in its capacity as Agent or (as the case may be) the Security Agent under this Agreement which are consistent with the successor Agent's or (as the case may be) the Security Agent's normal fee rates and those amendments will bind the Parties.

- (e) The retiring Agent or the Security Agent, shall make available to the successor Agent or Security Agent such documents and records and provide such assistance as the successor Agent or Security Agent may reasonably request for the purposes of performing its functions as Agent or (as the case may be) the Security Agent under the Finance Documents. The Borrowers shall, within three Business Days of demand, reimburse the retiring Agent or (as the case may be) the Security Agent for the amount of all costs and expenses (including legal fees) (together with any applicable VAT) properly incurred by it in making available such documents and records and providing such assistance.
- (f) The Agent's or Security Agent's resignation notice shall only take effect upon:
 - (i) the appointment of a successor;
and
 - (ii) (in the case of the Security Agent) the transfer or assignment of all the Transaction Security and the other Security Property to that successor and any appropriate filings or registrations, any notices of transfer or assignment and the payment of any fees or duties related to such transfer or assignment which the Security Agent considers necessary or advisable have been duly completed.
- (g) Upon the appointment of a successor, the retiring Agent or Security Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of clause 38.10 (*Winding up of trust*) and paragraph (e) above) but shall remain entitled to the benefit of clauses 16.4 (*Indemnity to the Agent, the Security Agent, the Sinasure Agent and Sinasure*) and 16.5 (*Indemnity concerning security*) and this clause 37 (and any agency or other fees for the account of the retiring Agent or the Security Agent in its capacity as such shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under clause 14.8 (*FATCA Information*) and the Borrowers or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to clause 14.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Borrowers and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Borrowers or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Borrowers or that Lender, by notice to the Agent, requires it to resign.

37.17 Replacement of the Agent

- (a) After consultation with the Borrowers, the Majority Lenders may, by giving 30 days' notice to the Agent replace the Agent by appointing a successor Agent.
- (b) The retiring Agent shall (at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of clauses 16.4 (*Indemnity to the Agent, the Security Agent, the Sinosure Agent and Sinosure*) and this clause 37 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (e) Paragraph (f) of clause 37.16 (*Resignation of the Agent or the Security Agent*) shall apply to any replacement of the Agent under this clause 37.17.

37.18 Replacement of the Security Agent

- (a) The Majority Lenders may, by notice to the Security Agent, require the Security Agent to resign in accordance with paragraph (b) of clause 37.16 (*Resignation of the Agent or the Security Agent*). In this event, the Security Agent shall resign in accordance with that paragraph but the cost referred to in paragraph (a) of clause 37.16 (*Resignation of the Agent or the Security Agent*) shall be for the account of the Borrowers.
- (b) Any person appointed and replacing the Security Agent (or a successor Security Agent) shall automatically act as agent and representative (Da: *fuldmægtig og repræsentant*) in accordance with section 18(1), cf. section 1(2), of the Danish Capital Markets Act and be entitled to exercise all rights and remedies under and in accordance with this Agreement in its own name or in the name of any of the Finance Parties.

37.19 Information from the Finance Parties

Each Finance Party shall supply the Agent or the Security Agent with any information that the Agent or (as the case may be) the Security Agent may reasonably specify as being necessary or desirable to enable the Agent or (as the case may be) the Security Agent to perform its functions as Agent or (as the case may be) the Security Agent.

37.20 Confidentiality

- (a) In acting as agent or trustee for the Finance Parties, the Agent or (as the case may be) the Security Agent shall be regarded as acting through its agency, trustee or other division or department directly responsible for the management of the Finance Documents which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent or (as the case may be) the Security Agent, it may be treated as confidential to that division or department and the Agent or (as the case may be) the Security Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

37.21 Agent's relationship with the Lenders and Hedging Providers

- (a) The Agent may treat the person shown in its records as Lender or as a Hedging Provider at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender or (as the case may be) as a Hedging Provider acting through its Facility Office:
- (i) entitled to or liable for any payment due under any Finance Document on that day;
and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days prior notice from that Lender or (as the case may be) as a Hedging Provider to the contrary in accordance with the terms of this Agreement.

- (b) Any Lender or Hedging Provider may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender or (as the case may be) Hedging Provider under the Finance Documents. Such notice shall contain the address and (where communication by electronic mail or other electronic means is permitted under clause 47.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, electronic mail address, department and officer (or such other information) by that Lender or (as the case may be) Hedging Provider for the purposes of clause 47.2 (*Addresses*) and clause 47.5 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender or (as the case may be) Hedging Provider.

37.22 Information from the Finance Parties

Each Finance Party shall supply the Agent with any information that the Agent may reasonably specify as being necessary or desirable to enable the Agent to perform its functions as Agent.

37.23 Credit appraisal by the Finance Parties and Ancillary Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each other Finance Party and Ancillary Lender confirms to the Agent, the Security Agent, the Arrangers and each Ancillary Lender that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each Obligor and other Group Members and Sinosure;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, any Sinosure Insurance Policy, the Transaction Security, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document, the Transaction Security or the Security Property or any Sinosure Insurance Policy;
- (c) the application of any Basel Regulation to the transactions contemplated by the Finance Documents or any Sinosure Insurance Policy;
- (d) whether that Finance Party or Ancillary Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with

any Finance Document or any Sinusure Insurance Policy, the Transaction Security, the Security Property, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document, the Transaction Security or the Security Property;

- (e) the adequacy, accuracy or completeness of any information provided by the Agent, the Security Agent, the Arrangers or any other Party or by any other person under or in connection with, the transactions contemplated by any Transaction Document, any Sinusure Insurance Policy or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or any Sinusure Insurance Policy; and
- (f) the right or title of any person in or to, or the value or sufficiency of, any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security Interest affecting the Charged Property.

37.24 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

37.25 Reliance and engagement letters

Each of the Agent, the Security Agent and the Arrangers may enter into any reliance letter or engagement letter relating to any valuations, reports, opinions or letters or advice or assistance provided by lawyers, accountants, tax advisers, insurance consultants, vessel managers, valuers, surveyors or other professional advisers or experts in connection with the Transaction Documents or the transactions contemplated in the Finance Documents on such terms as it may consider appropriate (including, without limitation, restrictions on the lawyer's, accountant's, tax adviser's, insurance consultant's, vessel manager's, valuer's, surveyor's or other professional adviser's or expert's liability and the extent to which their valuations, reports, opinions or letters may be relied on or disclosed).

37.26 Amounts paid in error

- (a) If the Agent or the Security Agent pays an amount to another Party and the Agent or (as the case may be) the Security Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Agent shall on demand refund the same to the Agent or (as the case may be) the Security Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent or (as the case may be) the Security Agent to reflect its cost of funds.
- (b) Neither:
 - (i) the obligations of any Party to the Agent or the Security Agent;
nor
 - (ii) the remedies of the Agent or the Security Agent,

(whether arising under this clause 37.26 or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing (including, without limitation, any obligation pursuant to which an Erroneous Payment is made) which, but for this paragraph (b), would reduce, release, preclude or prejudice any such obligation or remedy (whether or not known by the Agent or (as the case may be) the Security Agent or any other Party).

- (c) All payments to be made by a Party to the Agent or Security Agent (whether made pursuant to this clause 37.26 or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) In this Agreement, "**Erroneous Payment**" means a payment of an amount by the Agent or the Security Agent to another Party which the Agent or (as the case may be) the Security Agent determines (in its sole discretion) was made in error.

38 Trust and security matters

38.1 Undertaking to pay

- (a) Each Obligor who is a Party undertakes with the Security Agent as trustee for the Finance Parties that it will, on demand by the Security Agent, pay to the Agent as trustee for the Finance Parties all money from time to time owing to the other Finance Parties (in addition to paying any money owing under the Finance Documents to the Security Agent for its own account), and discharge all other obligations from time to time incurred, by it under or in connection with the Finance Documents.
- (b) Each payment which such an Obligor makes to another Finance Party in accordance with any Finance Document shall, to the extent of the amount of that payment, satisfy that Obligor's corresponding obligation under paragraph (a) above to make that payment to the Security Agent.

38.2 Parallel debt

- (a) Additional definitions:

In this clause:

Corresponding Debt means any amount, other than any Parallel Debt, which an Obligor owes from time to time to a Finance Party under or in connection with the Finance Documents.

Parallel Debt means any amount which an Obligor owes to the Security Agent under clause 38.2(b) below or under that clause as incorporated by reference or in full in any other Finance Document.

- (b) Each Obligor irrevocably and unconditionally undertakes to pay to the Security Agent its Parallel Debt which shall be amounts equal to, and in the currency or currencies of, its Corresponding Debt.
- (c) The Parallel Debt of an Obligor:
 - (i) shall become due and payable at the same time as its Corresponding Debt; and
 - (ii) is independent and separate from, and without prejudice to, its Corresponding Debt.
- (d) For the purposes of this clause 38.2, the Security Agent:
 - (i) is the independent and separate creditor of each Parallel Debt;
 - (ii) acts in its own name and not as agent, representative or trustee of the Finance Parties and its claims in respect of each Parallel Debt shall not be held on trust; and
 - (iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

- (e) Other than as set out in clause 38.2(f) below, the undertaking to pay Parallel Debt shall not limit or affect the existence of the Corresponding Debt, for which the Finance Parties shall have an independent right to demand performance.
- (f) The rights of the Finance Parties to receive payment of the Corresponding Debt are several from the rights of the Security Agent to receive payment of the Parallel Debt, provided that the Parallel Debt of an Obligor shall be:
 - (i) decreased to the extent that its Corresponding Debt has been irrevocably and unconditionally paid or discharged; and
 - (ii) increased to the extent that its Corresponding Debt has increased,and the Corresponding Debt of an Obligor shall be:
 - (A) decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged; and
 - (B) increased to the extent that its Parallel Debt has increased,in each case provided that the Parallel Debt of an Obligor shall never exceed its Corresponding Debt.
- (g) All amounts received or recovered by the Security Agent in connection with this clause 38.2 to the extent permitted by applicable law, shall be applied in accordance with clause 40.1 (*Order of application*).
- (h) This clause 38.2 shall apply, with any necessary modifications, to each Finance Document.

38.3 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

- (a) ascertain whether all deeds and documents which should have been deposited with it under or pursuant to any of the Security Documents have been so deposited;
- (b) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Charged Property;
- (c) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Transaction Security;
- (d) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Transaction Security;
- (e) take, or to require any Obligor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security Interest under any law or regulation; or
- (f) require any further assurance in relation to any Security Document.

38.4 Insurance by Security Agent

- (a) The Security Agent shall not be obliged:
 - (i) to insure any of the Charged Property;

- (ii) to require any other person to maintain any insurance;
or
- (iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document,

and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Agent requests it to do so in writing and the Security Agent fails to do so within fourteen days after receipt of that request.

38.5 Common parties

Although the Agent and the Security Agent may from time to time be the same entity, that entity will have entered into the Finance Documents (to which it is party) in its separate capacities as agent for the other Finance Parties and (as appropriate) security agent and trustee for all of the other Finance Parties. Where any Finance Document provides for an Agent or Security Agent to communicate with or provide instructions to the other, while they are the same entity, such communication or instructions will not be necessary.

38.6 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

38.7 Delegation by the Security Agent

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Finance Parties.
- (c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

38.8 Additional trustees

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:
 - (i) if it considers that appointment to be in the interests of the Finance Parties;
 - (ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant;
or
 - (iii) for obtaining or enforcing any judgment in any jurisdiction,

and the Security Agent shall give prior notice to the Borrowers and the Finance Parties of that appointment.

- (b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.
- (d) At the request of the Security Agent, the other Parties shall forthwith execute all such documents and do all such things as may be required to perfect such appointment or removal and each such Party irrevocably authorises the Security Agent in its name and on its behalf to do the same.
- (e) Such a person shall accede to this Agreement as a Security Agent to the extent necessary to carry out their role on terms satisfactory to the Security Agent.
- (f) The Security Agent shall not be bound to supervise, or be responsible for any loss incurred by reason of any act or omission of, any such person if the Agent shall have exercised reasonable care in the selection of such person.

38.9 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Obligor may have to any of the Charged Property and shall not be liable for, or bound to require any Obligor to remedy, any defect in its right or title.

38.10 Winding up of trust

If the Security Agent, with the approval of the Agent, determines that:

- (a) all of the Secured Obligations and all other obligations secured by the Security Documents have been fully and finally discharged; and
 - (b) no Finance Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents,
- then:
- (i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Agent under each of the Security Documents; and
 - (ii) any Security Agent which has resigned pursuant to clause 37.16 (*Resignation of the Agent or the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

38.11 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

38.12 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

38.13 Role of the Sinosure Agent

- (a) Each of the Lenders, the Agent and the Security Agent appoints the Sinosure Agent to act as its Agent for the purposes of dealing with Sinosure in respect of the Sinosure Insurance Policies and the Sinosure Agent accepts the appointment on and subject to the terms of this clause 38.13.
- (b) The Sinosure Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (c) The Sinosure Agent shall promptly forward to the Agent the original or a copy of any document which is delivered to the Sinosure Agent for another Party and shall promptly forward to Sinosure (in accordance with the provision of the Sinosure Insurance Policies) the original or a copy of any document which is delivered to the Sinosure Agent by any other Party.
- (d) Except where a Finance Document specifically provides otherwise, the Sinosure Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) Clauses 37.11(f), 37.11(g) and 37.11(i) (*Rights and discretions of the Agent and the Security Agent*), 37.12 (*Responsibility for documentation and other matters*), clause 37.13 (*No duty to monitor*), 37.14 (*Exclusion of liability*), 37.16 (*Resignation of the Agent or the Security Agent*), 37.20 (*Confidentiality*), 37.21 (*Agent's relationship with the Lenders and Hedging Providers*), 37.23 (*Credit appraisal by the Finance Parties and Ancillary Lenders*) and 37.24 (*Deduction from amounts payable by the Agent*) shall each extend so as to apply to the Sinosure Agent in its capacity as such and for that purpose each reference to the "Agent" in these clauses shall extend to include in addition a reference to the "Sinosure Agent" in its capacity as such, provided, that any change, substitution or resignation of the Sinosure Agent shall be subject to any consent requirement pursuant to the Sinosure Insurance Policies.
- (f) All communication between the Finance Parties and Sinosure shall be carried out exclusively through the Sinosure Agent.
- (g) Each Lender shall deal with the Sinosure Agent exclusively through the Agent and shall not deal directly with the Sinosure Agent.

38.14 Sinosure Insurance Policies

Each Lender represents and warrants to the Sinosure Agent that, to the best of its knowledge, with effect from the date it receives each Sinosure Insurance Policy, (i) it has reviewed each Sinosure Insurance Policy and is aware of the provisions thereof, (ii) any representations and warranties made by the Sinosure Agent on behalf of each Lender under the such Sinosure Insurance Policy are true and correct with respect to such Lender in all respects, and (iii) no information provided by such Lender in writing to the Sinosure Agent or to Sinosure prior to the date hereof was incomplete, untrue or incorrect in any respect except to the extent that such Lender, in the exercise of reasonable care and due diligence prior to the giving of the information, could not have discovered the error or omission. Each Lender, to the best of its knowledge, represents and warrants to the Sinosure Agent that it has not taken (or failed to take), and agrees with the Sinosure Agent that it shall not take (or fail to take), any action that would result in the Sinosure Agent being in breach of any of its obligations in its capacity as Sinosure Agent under the Sinosure Insurance Policies or the Finance Documents, or result in any of Lenders being in

breach of any of their respective obligations as insured parties, under a Sinosure Insurance Policy, or which would otherwise prejudice the Sinosure Agent's ability to make a claim on behalf of the Lenders under a Sinosure Insurance Policy.

38.15 Sinosure Agent actions

- (a) Without prejudice to paragraph (b) below, the Sinosure Agent agrees to take such actions under the Sinosure Insurance Policies (including with respect to any amendment, modification or supplement to a Sinosure Insurance Policy) as may be directed on the unanimous instructions of the Lenders from time to time; provided that, anything herein or in a Sinosure Insurance Policy to the contrary notwithstanding, the Sinosure Agent shall not be obliged to take any such action or to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder or thereunder if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it or if such action would be contrary to applicable law.
- (b) The Sinosure Agent shall, if instructed to do so by any Lender (and in its capacity as Sinosure Agent under the Sinosure Insurance Policy), submit a claim and/or a demand for payment under the Sinosure Insurance Policy as soon as reasonably practicable following the receipt of instructions to do so by any Lender. Such claim and/or demand for payment shall be submitted on behalf of all the Lenders but, for the avoidance of doubt, each Lender may independently instruct the Sinosure Agent to make such claim and/or demand for payment and the Sinosure Agent shall not require the consent of any other Lender to make such claim and/or demand for payment.
- (c) Following any instructions received by the Sinosure Agent from a Lender pursuant to paragraph (b) above, the Sinosure Agent shall, as soon as reasonably practicable thereafter, notify the Agent (and the Agent shall notify the Lenders) of the receipt of such instructions.

38.16 Examination of documents by the Agent and the Sinosure Agent

Without prejudice to the obligations of the Sinosure Agent under the Sinosure Insurance Policy, the Borrowers and each Lender hereby unconditionally and irrevocably agree that the Agent's and the Sinosure Agent's responsibility for the examination of any Finance Document, the Sinosure Insurance Policy or any other document received with respect thereto shall be limited to ascertaining that such document appears on its face (or, if any such document is not only in English, the English translation or version of which appears on its face) to be in accordance with its description.

For the purposes of this clause 38.16, **appearing on its face** has the meaning given to that term in the latest version of the Uniform Customs Practice for Documentary Credits of the International Chamber of Commerce.

39 Enforcement of Transaction Security

39.1 Enforcement Instructions

- (a) The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by the Majority Lenders.
- (b) Subject to the Transaction Security having become enforceable in accordance with its terms, the Majority Lenders may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.
- (c) The Agent is entitled to rely on and comply with instructions given in accordance with this clause 39.1.

39.2 Manner of enforcement

If the Transaction Security is being enforced pursuant to clause 39.1 (*Enforcement Instructions*), the Security Agent shall enforce the Transaction Security in such manner as the Majority Lenders shall instruct or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate.

39.3 Waiver of rights

To the extent permitted under applicable law and subject to clause 39.1 (*Enforcement Instructions*), clause 39.2 (*Manner of enforcement*) and clause 40 (*Application of Proceeds*), each of the Finance Parties and the Obligors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

39.4 Enforcement through Security Agent only

- (a) The other Finance Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising or to grant any consents or releases under the Security Documents except through the Security Agent (or, if applicable, on the instructions of Sinosure) or as required and permitted by this clause 39.4.
- (b) Where a Finance Party (other than the Security Agent) is a party to a Security Document that Finance Party shall:
 - (i) promptly take such action as the Security Agent may reasonably require (acting on the instructions of the Agent) to enforce, or have recourse to, any of the Transaction Security constituted by such Security Document or, for such purposes, to exercise any right, power, authority or discretion arising or to grant any consents or releases under such Security Document or (subject to clause 51.6 (*Releases*)) to release, reassign and/or discharge any such Transaction Security or any guarantee or other obligations under any such Security Document; and
 - (ii) not take any such action except as so required or (in the case of a release) for a release which is expressly permitted or required by the Finance Documents.
- (c) Each Finance Party (other than the Security Agent) which is party to a Security Document shall, promptly upon being requested by the Security Agent to do so, grant a power of attorney or other sufficient authority to the Security Agent or its legal advisers to enable the Security Agent or such legal advisers to enforce or have recourse in the name of such Finance Party to the relevant Transaction Security constituted by such Security Document or to exercise any such right, power, authority or discretion or to grant any such consent or release under such Security Document or to release, reassign and/or discharge any such Transaction Security on behalf of such Finance Party.

40 Application of proceeds

40.1 Order of application

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (other than any amounts received under a Sinosure Insurance Policy, which are for the account of the Lenders as specified therein) (for the purposes of this clause 40, the **Recoveries**) shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this clause 40), in the following order of priority:

- (a) in discharging any sums owing to the Security Agent (other than pursuant to clause 38.1(*Undertaking to pay*) or clause 38.2(*Parallel debt*)), any Receiver or any Delegate;
- (b) in discharging all costs and expenses incurred by any Finance Party (except any Hedging Provider or any Ancillary Lender) in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement;
- (c) in payment or distribution to the Agent on its own behalf and on behalf of the other Finance Parties and Sinasure for application in accordance with clause 45.5(*Partial payments*);
- (d) in discharging all costs and expenses incurred by any Hedging Provider or any Ancillary Lender pro rata in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement;
- (e) if none of the Obligors is under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Obligor; and
- (f) the balance, if any, in payment or distribution to the relevant Obligor.

The foregoing shall be without prejudice to any payment waterfall provisions set forth in a Sinasure Insurance Policy in respect of the proceeds of such Sinasure Insurance Policy, which shall govern the payment by Sinasure of the proceeds of that Sinasure Insurance Policy and the sharing of such proceeds by the Lenders.

40.2 Security proceeds realised by other Finance Parties

Where a Finance Party (other than the Security Agent) is a party to a Security Document and that Finance Party receives or recovers any amounts pursuant to the terms of that Security Document or in connection with the realisation or enforcement of all or any part of the Transaction Security which is the subject of that Security Document then, subject to the terms of that Security Document and to the extent permitted by applicable law, such Finance Party shall account to the Security Agent for those amounts and the Security Agent shall apply them in accordance with clause 40.1 (*Order of application*) as if they were Recoveries for the purposes of such clause or (if so directed by the Security Agent) shall apply those amounts in accordance with clause 40.1 (*Order of application*).

40.3 Investment of cash proceeds

Prior to the application of any Recoveries in accordance with clause 40.1(*Order of Application*) the Security Agent may, in its discretion, hold:

- (a) all or part of any Recoveries which are in the form of cash; and
- (b) any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any proceeds of the Security Property which are not in the form of cash

in one or more interest bearing suspense or impersonal accounts in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of this clause 40.

40.4 Currency conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may:
 - (i) convert any moneys received or recovered by the Security Agent from one currency to another; and

- (ii) notionally convert the valuation provided in any opinion or valuation from one currency to another,

in each case at the Security Agent's spot rate of exchange for the purchase of that other currency with the currency in which the relevant moneys are received or recovered or the valuation is provided in the London foreign exchange market at or about 11:00 am (London time) on a particular day.

- (b) The obligations of any Obligor to pay in the due currency shall only be satisfied:
 - (i) in the case of paragraph (a)(i) above, to the extent of the amount of the due currency purchased after deducting the costs of conversion; and
 - (ii) in the case of paragraph (a)(ii) above, to the extent of the amount of the due currency which results from the notional conversion referred to in that paragraph.

40.5 Permitted Deductions

The Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties or exercising its rights, powers, authorities and discretions, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

40.6 Good discharge

- (a) Any distribution or payment to be made in respect of the Secured Obligations by the Security Agent may be made to the Agent on behalf of the Finance Parties.
- (b) Any distribution or payment made as described in paragraph (a) above shall be a good discharge, to the extent of that payment or distribution, the Security Agent to the extent of that payment.
- (c) The Security Agent is under no obligation to make the payments to the Agent under paragraph (a) above in the same currency as that in which the Secured Obligations owing to the relevant Finance Party are denominated pursuant to the relevant Finance Document.

40.7 Calculation of amounts

For the purpose of calculating any person's share of any amount payable to or by it, the Agent shall be entitled to:

- (a) notionally convert the Secured Obligations owed to any person into a common base currency (decided in its discretion by the Security Agent), that notional conversion to be made at the spot rate at which the Security Agent is able to purchase the notional base currency with the actual currency of the Secured Obligations owed to that person at the time at which that calculation is to be made; and
- (b) assume that all amounts received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Secured Obligations in accordance with the terms of the Finance Documents under which those Secured Obligations have arisen.

40.8 Release to facilitate enforcement and realisation

- (a) Each Finance Party acknowledges that, for the purpose of any enforcement action by the Security Agent or a Receiver and/or maximising or facilitating the realisation of the Charged

Property, it may be desirable that certain rights or claims against an Obligor and/or under certain of the Transaction Security, be released.

- (b) Each other Finance Party hereby irrevocably authorises the Security Agent (acting on the instructions of the Agent) to grant any such releases to the extent necessary to effect such enforcement action and/or realisation including, to the extent necessary for such purpose, to execute release documents in the name of and on behalf of the other Finance Parties.
- (c) Where the relevant enforcement is by way of disposal of shares in an Owner, the requisite release may include releases of all claims (including under guarantees) of the Finance Parties and/or the Security Agent against such Owner and of all Security Interests over its assets.

40.9 Dealings with Security Agent

Each Finance Party shall deal with the Security Agent exclusively through the Agent.

40.10 Agent's dealings with Hedging Provider

The Agent shall not be under any obligation to act as agent or otherwise on behalf of any Hedging Provider except as expressly provided for in, and for the purposes of, this Agreement.

40.11 Disclosure between Finance Parties and Security Agent

Notwithstanding any agreement to the contrary, each of the Obligors consents, until the end of the Facility Period, to the disclosure by any Finance Party to each other (whether or not through the Agent or the Security Agent) of such information concerning the Obligors as any Finance Party shall see fit.

40.12 Notification of prescribed events

- (a) If an Event of Default or Default either occurs or ceases to be continuing, the Agent shall, upon becoming aware of that occurrence or cessation, notify the Security Agent.
- (b) If the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each other Finance Party of that action.
- (c) If any Finance Party exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Finance Party of that action.
- (d) If an Obligor defaults on any payment due under a Hedging Contract, the Hedging Provider which is party to that Hedging Contract shall, upon becoming aware of that default, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Agent.
- (e) If a Hedging Provider terminates or closes-out, in whole or in part, any Hedging Transaction under any Hedging Contract it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Agent.

41 Reference Banks

41.1 Role of Reference Banks

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.
- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.

- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this clause 41 subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

41.2 Third party Reference Banks

A Reference Bank which is not a Party may rely on clause 41 (*Role of Reference Banks*), paragraph (c) of clause 51.3 (*Other exceptions*) and clause 53 (*Confidentiality of Funding Rates and Reference Bank Quotations*) subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

42 Finance Parties tax affairs

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

43 Finance Parties acting together

43.1 Finance Parties acting together

- (a) Notwithstanding clause 2.2 (*Finance Parties' rights and obligations*), if the Agent makes a declaration under clause 33.21 (*Acceleration*) or notifies the other Finance Parties that it considers it is entitled to make such a declaration, the Agent shall, in the names of all the Finance Parties, take such action on behalf of the Finance Parties and conduct such negotiations with the Borrowers and any Group Members and generally administer the Facility in accordance with the wishes of the Majority Lenders. All the Finance Parties shall be bound by the provisions of this clause and no Finance Party shall take action independently against any Obligor or any of its assets without the prior consent of the Majority Lenders.
- (b) Paragraph (a) above shall not override clause 37 (*Roles of Agent, Security Agent, SinSURE Agent and Arranger*) as it applies to the Security Agent.

43.2 Conflict and SinSURE Insurance Policy override

Without limiting in any manner the rights of the Lenders under the Facility, and subject and without prejudice to any amendments, consents or waivers as may be given, consented or agreed to by the Agent which are contrary to or inconsistent with any vote exercised by the Lenders (acting on the instructions of SinSURE):

- (a) in case of any conflict between the Finance Documents and any SinSURE Insurance Policy, such SinSURE Insurance Policy shall, as between the Lenders and SinSURE, prevail, and to the extent of such conflict or inconsistency, none of the Lenders or the SinSURE Agent shall assert to SinSURE, the terms of the relevant Finance Documents;

- (b) nothing in this Agreement or any Finance Document shall permit or oblige any Lender or the Sinosure Agent to act (or omit to act) in a manner that is inconsistent with any requirement of Sinosure under or in connection with any Sinosure Insurance Policy;
- (c) each Lender and the Sinosure Agent shall be authorised to take all such actions as it may consider necessary to ensure that all requirements of Sinosure under or in connection with any Sinosure Insurance Policy are complied with;
- (d) no Finance Party or the Sinosure Agent shall be obliged to do anything if, in its opinion, to do so could:
 - (i) result in a breach of any requirement of Sinosure under or in connection with any Sinosure Insurance Policy; and/or
 - (ii) affect the validity of any Sinosure Insurance Policy; and/or
 - (iii) otherwise result in a Sinosure Mandatory Prepayment Event; and
- (e) nothing in this clause 43.2 shall affect the obligations of any Obligor under the Finance Documents.

43.3 Prior consultation with Sinosure

- (a) The Borrowers acknowledge that the Agent may, under the terms of a Sinosure Insurance Policy, be required:
 - (i) to consult with the Sinosure Agent (who shall in turn consult with Sinosure), prior to the exercise of decisions under the Finance Documents (including the exercise of such voting rights in relation to any substantial amendment to any Finance Document); and
 - (ii) to follow certain instructions given by the Sinosure Agent (acting on the instructions of Sinosure), subject to clause 43 *Finance Parties acting together*.
- (b) Each Finance Party will be deemed to have acted reasonably if it has acted on the instructions of the Agent (given by the Sinosure Agent (acting on the instructions of Sinosure) to the Agent in accordance with the terms of the Sinosure Insurance Policies) in the making of any such decision or the taking or refraining from taking any action under any Finance Document to which it is a party.

44 Sharing among the Finance Parties

44.1 Payments to Finance Parties

- (a) If a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with clause 45 *Payment mechanics*) (a **Recovered Amount**) and applies that amount to a payment due under the Finance Documents then:
 - (i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
 - (ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with clause 45 *Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
 - (iii) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the **Sharing Payment**) equal to such receipt or

recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 45.5 (*Partial payments*),

but taking into account, for the avoidance of doubt, that any amounts paid under a Sinosure Insurance Policy are for the account of the Lenders as specified in that Sinosure Insurance Policy.

- (b) Paragraph (a) above shall not apply to any amount received or recovered by an Ancillary Lender in respect of any cash cover provided for the benefit of that Ancillary Lender.

44.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **Sharing Finance Parties**) in accordance with clause 45.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

44.3 Recovering Finance Party's rights

On a distribution by the Agent under clause 44.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor (but not from Sinosure), as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

44.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the **Redistributed Amount**); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

44.5 Exceptions

- (a) This clause 44 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
- (i) it notified that other Finance Party of the legal or arbitration proceedings;
- (ii) the taking legal or arbitration proceedings was in accordance with the terms of this Agreement; and
- (iii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

44.6 Ancillary Lenders

- (a) This clause 44 shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Lender at any time prior to the Agent exercising any of its rights under clause 33.21 (*Acceleration*).
- (b) Following the exercise by the Agent of any of its rights under clause 33.21 (*Acceleration*), this clause 44 shall apply to all receipts or recoveries by Ancillary Lenders.

Section 11 - Administration

45 Payment mechanics

45.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document (other than a Hedging Contract), and excluding a payment under the terms of an Ancillary Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Agent) and with such bank as the Agent, in each case, specifies.

45.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to clause 45.3 (*Distributions to an Obligor*) and clause 45.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

45.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with clause 46 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

45.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of the Borrowers before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrowers:
 - (i) the Agent shall notify the Borrowers of that Lender's identity and the Borrowers shall on demand refund it to the Agent;
and

- (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrowers, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

45.5 Partial payments

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents (other than, for the avoidance of doubt, payments under a Sinosure Insurance Policy which are for the account of the Lenders as specified therein) that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid amount owing to the Agent, the Security Agent or the Arrangers for their own account under those Finance Documents;
 - (ii) **secondly**, in or towards payment to the Lenders pro rata of any amount owing to the Lenders under clause 37.15 *Lenders' indemnity to the Agent and others*;
 - (iii) **thirdly**, in or towards payment to the Lenders and Sinosure pro rata in the following order of:
 - (A) first, any accrued interest, fee or commission (including, without limitation, any Sinosure Premium) due to them but unpaid under the Finance Documents and the Sinosure Insurance Policies;
 - (B) secondly, any principal due to them but unpaid under this Agreement;
and
 - (C) thirdly, any other sum due to them but unpaid under the Finance Documents;
 - (iv) **fourthly**, in or towards payment to the Hedging Providers and the Ancillary Lenders pro rata of any net amounts due to them but unpaid under the Hedging Contracts and any unpaid amounts under the Ancillary Facilities; and
 - (v) **fifthly**, in or towards payment pro rata of any other sum due but unpaid to the Finance Parties under the Finance Documents.
- (b) The Agent shall, if so directed by all the Lenders, Sinosure, each Hedging Provider and each Ancillary Lender, vary the order set out in paragraphs (ii) to (v) of paragraph (a) above.
- (c) The foregoing shall be without prejudice to any payment waterfall provisions set forth in any Sinosure Insurance Policy in respect of the proceeds of that Sinosure Insurance Policy, which shall govern the payment by Sinosure of the proceeds of that Sinosure Insurance Policy and the sharing of such proceeds by the Lenders.
- (d) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

45.6 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

45.7 Business Days

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

45.8 Currency of account

- (a) Subject to paragraphs (b) and (c) below, euro is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of all or part of a Loan or an Unpaid Sum and each payment of interest shall be made in euro on its due date.
- (c) Each payment in respect of the amount of any costs, expenses or Taxes or other losses shall be made in euro and, if they were incurred in a currency other than euro, the amount payable under the Finance Documents shall be the equivalent in euro of the relevant amount in such other currency on the date on which it was incurred.
- (d) All moneys received or held by the Security Agent or by a Receiver under a Security Document in a currency other than euro may be sold for euro and the Obligor which executed that Security Document shall indemnify the Security Agent against the full cost in relation to the sale. Neither the Security Agent nor such Receiver will have any liability to that Obligor in respect of any loss resulting from any fluctuation in exchange rates after the sale.

45.9 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrowers); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrowers) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Interbank Market and otherwise to reflect the change in currency.

45.10 Disruption to payment systems etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrowers that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Borrowers, consult with the Borrowers with a view to agreeing with the Borrowers such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Borrowers in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

- (d) any such changes agreed upon by the Agent and the Borrowers shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 51 (*Amendments and waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 45.10; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

45.11 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with clause 45.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account pro rata to their respective entitlements.
- (c) A Party which has made a payment in accordance with clause 45.1 (*Payments to the Agent*) shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with clause 37.17 (*Replacement of the Agent*), each Party which has made a payment to a trust account in accordance with clause 45.1 (*Payments to the Agent*) shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with clause 36.2 (*Distributions by the Agent*).

46 Set-off

- 46.1** A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

47 Notices

47.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by letter.

47.2 Addresses

The address (and the department or officer, if any, for whose attention the communication is to be made) of each Obligor or Finance Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of any Obligor, that identified with its name in Schedule 1 (*The original parties*) or that identified with the Parent in Schedule 1 (*The original parties*);
- (b) in the case of the Agent, the Security Agent and any other original Finance Party, that identified with its name in Schedule 1 (*The original parties*);
and
- (c) in the case of each Lender, each Ancillary Lender or other Finance Party, that notified in writing to the Agent on or prior to the date on which it becomes a Party in the relevant capacity,

or, in each case, any substitute address, or department or officer as an Obligor or Finance Party may notify to the Agent (or the Agent may notify to the other Finance Parties and the Obligors who are Parties, if a change is made by the Agent) by not less than five Business Days' notice.

47.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under clause 47.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or Security Agent will be effective only when actually received by the Agent or the Security Agent and then only if it is expressly marked for the attention of the department or officer identified in Schedule 1 (*The original parties*) (or any substitute department or officer as the Agent or the Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Borrowers in accordance with this clause 47.3 will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

47.4 Notification of address

Promptly upon changing its address, the Agent shall notify the other Parties.

47.5 Electronic communication

- (a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means;
and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

- (b) Any such electronic communication or document as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.
- (c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and, in the case of any electronic communication or document made or delivered by a Party to the Agent, only if it is addressed in such a manner as the Agent shall specify for this purpose.
- (d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement or any other Finance Document shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this clause 47.5.

47.6 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English;
or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

47.7 Communication with Agent when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant parties directly. This provision shall not operate after a replacement Agent has been appointed.

48 Calculations and certificates

48.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party *argu prima facie* evidence of the matters to which they relate.

48.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

48.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Interbank Market differs, in accordance with that market practice.

**49 Partial
invalidity**

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

**50 Remedies and
waivers**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

**51 Amendments and
waivers**

**51.1 Required
consents**

- (a) Subject to clause 51.2 (*All Lender matters*) and clause 51.3 (*Other exceptions*) and subject always to the requirements of the Sinasure Insurance Policies, any term of the Finance Documents may be amended or waived only with the consent of the Parent and the Agent (acting on the instructions of the Majority Lenders and, if it affects the rights and obligations of the Agent, the consent of the Agent and, if it affects the rights and obligations of Sinasure, the consent of Sinasure) and any such amendment or waiver will be binding on all the Finance Parties and other Obligors.
- (b) The Agent may (or, in the case of the Security Documents, instruct the Security Agent to) effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause 51.
- (c) Without prejudice to the generality of paragraphs (c), (d) and (e) of clause 37.11 (*Rights and discretions of the Agent and the Security Agent*), the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.
- (d) Each Obligor agrees to any such amendment or waiver permitted by this clause 51 which is agreed to by the Parent. This includes any amendment or waiver which would, but for this paragraph (d), require the consent of the Borrowers.
- (e) Amendments to or waivers in respect of clause 8.10 (*Termination of a Sinasure Insurance Policy*) may only be agreed with the consent of each of the Lenders.
- (f) Amendments to or waivers in respect of any Finance Document may only be agreed in writing.
- (g) The Sinasure Agent shall deliver to Sinasure (with a copy to the Lenders) promptly and in any event not more than 30 days following any amendment or variation being made to any Finance Document, notice of such amendment or variation in writing.

**51.2 All Lender
matters**

Subject to clause 51.5 (*Replacement of Screen Rate*) an amendment, waiver or discharge or release or a consent of, or in relation to, any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definition of “Majority Lenders” in clause 1.1 (*Definitions*);
- (b) the definition of “Last Availability Date” in clause 1.1 (*Definitions*);
- (c) the definitions of “Green Asset Criteria”, “Green Assets”, “Green Finance Second Party Opinion”, “Green Loan”, “Green Loan Compliance Certificate”, “Green Loan Information”, “Green Loan Provisions” and “Green Loan Report” in clause 1.1 (*Definitions*);
- (d) the definition of “Repeating Representations” in clause 1.1 (*Definitions*);
- (e) an extension to the date of payment of any amount under the Finance Documents;
- (f) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable or the rate at which they are calculated;
- (g) an increase in any Commitment or the Total Commitments;
- (h) an extension of any period within which the Facility is available for Utilisation;
- (i) any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably;
- (j) a change to the Borrowers or any other Obligor;
- (k) clause 8.2 (*Change of control*) and the definition of “Change of Control” in clause 1.1 (*Definitions*);
- (l) clause 1.9 (*Sanctions – Restricted Lender*), clause 20.34 (*Sanctions*), clause 20.38(c) (*Times when representations are made*), clause 23.13 (*Sanctions*), paragraphs (b), (c) or (d) of clause 26.16 (*Lawful use*) and any of the definitions of “Sanctioned Country”, “Sanctions”, “Sanctions Advisory”, “Sanctions Authority”, “Sanctions List” and “Restricted Party” in clause 1.1 (*Definitions*);
- (m) any of the Green Loan Provisions;
- (n) any provision which expressly requires the consent or approval of all the Lenders;
- (o) clause 44 (*Sharing among the Finance Parties*);
- (p) clause 2.2 (*Finance Parties’ rights and obligations*), clause 5.1 (*Delivery of a Utilisation Request*), clause 8.1 (*Illegality*), clause 35 (*Changes to the Lenders*), clause 9.9 (*Application of prepayments*), this clause 51, clause 56 (*Governing law*) or clause 57.1 (*Jurisdiction of English courts*);
- (q) the order of distribution under clause 40.1 (*Order of application*);
- (r) the order of distribution under clause 45.5 (*Partial payments*) (unless clause 45.5(b) allows the Majority Lenders to vary such order);
- (s) the currency in which any amount is payable under any Finance Document;
- (t) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:

- (i) any guarantee and indemnity granted under any Finance Document (including the Guarantee under clause 19(*Guarantee and indemnity*) and the guarantee and indemnity given under clause 32.6 (*Guarantee and indemnity – Hedging Guarantors*));
- (ii) the Charged Property;
or
- (iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed;
- (u) the release of any of the Transaction Security or any guarantee or other obligation or the circumstances in which any of the Transaction Security or any guarantee or other obligations under any Finance Document is permitted or required to be released under any of the Finance Documents,

shall not be made, or given, without the prior consent of all the Lenders and Sinosure.

51.3 Other exceptions

- (a) Amendments to or waivers in respect of the Hedging Contracts may only be agreed by the relevant Hedging Provider.
- (b) Amendments to or waivers in respect of an Ancillary Facility may only be agreed by the relevant Ancillary Lender.
- (c) An amendment or waiver which relates to the rights or obligations of the Agent, the Security Agent, any Hedging Provider, any Ancillary Lender, a Reference Bank or the Arrangers in their respective capacities as such (and not just as a Lender) may not be effected without the consent of the Agent, the Security Agent, the relevant Hedging Provider, that Ancillary Lender, that Reference Bank or the Arrangers (as the case may be).
- (d) Notwithstanding clauses 51.1 and 51.2 and paragraph (c) above, the Agent may make technical amendments to the Finance Documents arising out of manifest errors on the face of the Finance Documents, where such amendments would not prejudice or otherwise be adverse to the interests of any Finance Party without any reference or consent of the Finance Parties.

51.4 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Commitment, in ascertaining (i) the Majority Lenders or (ii) whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments under the Facility, or the agreement of any specified group of Lenders, has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitment will be reduced by the amount of its Commitment and, to the extent that the reduction results in that Defaulting Lender's Commitment being zero and it has no participation in the Loan, that Defaulting Lender shall be deemed not to be a Lender for the purposes paragraphs (i) and (ii) above.
- (b) For the purposes of this clause 51.4, the Agent may assume that the following Lenders are Defaulting Lenders:
 - (i) any Lender which has notified the Agent that it has become a Defaulting Lender;
and
 - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of **Defaulting Lender** has occurred, unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

51.5 Replacement of Screen Rate

(a) Subject to clause 51.3 (*Other exceptions*), if a Screen Rate Replacement Event has occurred, any amendment or waiver which relates to:

(i) providing for the use of a Replacement Benchmark in place of the Screen Rate;
and

(ii) any or all of the following:

(A) aligning any provision of any Finance Document (other than a Hedging Contract) to the use of that Replacement Benchmark;

(B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Benchmark;

(D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark;
or

(E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders), Sinosure and the Borrowers.

(b) In this clause 51.5:

Relevant Nominating Body means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Replacement Benchmark means:

(a) the euro short term rate (€STR); or

at the discretion of all the Lenders and Sinosure

(b) any other a reference rate which is:

(i) formally designated, nominated or recommended as the replacement for the Screen Rate
by:

(A) the administrator of the Screen Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Screen Rate); or

(B) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Benchmark" will be the replacement under paragraph (B) above;

- (ii) in the opinion of the Majority Lenders and the Obligors, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the Screen Rate; or
- (iii) in the opinion of the Majority Lenders and the Obligors, an appropriate successor to the Screen Rate.

Screen Rate Replacement Event means, in relation to the Screen Rate:

- (a) the methodology, formula or other means of determining the Screen Rate has, in the opinion of the Majority Lenders and the Borrowers materially changed;
- (b) any of the following applies:
 - (i) either:
 - (A) the administrator of the Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the Screen Rate is insolvent, provided that, in each case, at that time, there is no successor administrator to continue to provide the Screen Rate;
 - (ii) the administrator of the Screen Rate publicly announces that it has ceased or will cease, to provide the Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Screen Rate;
 - (iii) the supervisor of the administrator of the Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued;
 - (iv) the administrator of the Screen Rate or its supervisor announces that the Screen Rate may no longer be used; or
 - (v) the supervisor of the administrator of that Screen Rate makes a public announcement or publishes information:
 - (A) stating that the Screen Rate is no longer or, as of a specified future date will no longer be, representative of the underlying market or economic reality that it is intended to measure and that representativeness will not be restored (as determined by such supervisor); and
 - (B) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication; or
- (c) the administrator of the Screen Rate determines that the Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrowers) temporary; or
 - (ii) the Screen Rate is calculated in accordance with any such policy or arrangement for a period of no less than 15 Business Days; or

- (d) in the opinion of the Majority Lenders and the Borrowers, the Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

51.6 Releases

Except with the approval of the Lenders, the Hedging Providers and Sinosure or for a release which is expressly permitted or required by the Finance Documents, the Agent shall not have authority to authorise the Security Agent to release (nor shall any Finance Party, unless so directed by the Security Agent in accordance with clause 39.4 (*Enforcement through Security Agent only*), release):

- (a) any Charged Property from the Transaction Security;
or
- (b) any Obligor from any of its guarantee or other obligations under any Finance Document.

51.7 Excluded Commitments

If any Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 30 Business Days of that request being made (unless the Borrowers and the Agent agree to a longer time period in relation to any request):

- (a) its Commitment or its participation in the Loan shall not be included for the purpose of calculating the Total Commitments or the amount of the Loan when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments or the amount of the Loan has been obtained to approve that request; and
- (b) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

52 Confidential Information

52.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by clause 52.2 (*Disclosure of Confidential Information*) and clause 52.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

52.2 Disclosure of Confidential Information

Any Finance Party may disclose (without the consent of the Obligors) to Sinosure or to such Finance Party's head office or to any of its Affiliates or Related Funds (such Affiliates and Related Funds, the **Permitted Parties**) or to any of its or its Affiliates' officers, directors or employees and any other person:

- (a) in the case of a Lender or Hedging Provider, to (or through) whom that Lender or Hedging Provider assigns (or may potentially assign) all or any of its rights under the Finance Documents;
- (b) in the case of a Lender, to whom or for whose benefit that Finance Party charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to clause 35.10 (*Security over Lenders' rights*);
- (c) in the case of a Lender or a Hedging Provider, with (or through) whom that Lender or that Hedging Provider enters into (or may potentially enter into) any sub-participation in relation

to, or any other transaction under which payments are to be made by reference to, the Finance Documents or any Obligor; or

- (d) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes; or
- (e) to whom, and to the extent that, information is required, permitted or requested to be disclosed by any court or tribunal of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation,

and any Finance Party or Sinosure may disclose to any rating agencies or to its own or its Permitted Parties' professional advisers, auditors or brokers or insurers or (with the consent of the Borrowers, or if an Event of Default has happened and is continuing, with the approval of the Majority Lenders), any other person, any information about any Obligor, the Group and the Finance Documents as that Finance Party shall consider appropriate.

52.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:

- (i) names of Obligors;
- (ii) country of domicile of Obligors;
- (iii) place of incorporation of Obligors;
- (iv) date of this Agreement;
- (v) clause 56 (*Governing law*);
- (vi) the names of the Agent and the Arranger;
- (vii) date of each amendment and restatement of this Agreement;
- (viii) amount of Total Commitments;
- (ix) currency of the Facility;
- (x) type of Facility;
- (xi) ranking of Facility;
- (xii) the term of the Facility;
- (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and
- (xiv) such other information agreed between such Finance Party and the Borrowers,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

- (c) Each of the Borrowers represents that none of the information set out in paragraphs (i) to (xiv) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Agent shall notify the Borrowers and the other Finance Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

52.4 Disclosure of personal data

- (a) If any Obligor provides the Finance Parties with personal data of any individual as required by, pursuant to, or in connection with the Finance Documents, that Obligor represents and warrants to the Finance Parties that it has, to the extent required by law:
 - (i) notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed;
 - (ii) obtained such individual's consent for, and hereby consents on behalf of such individual to, the collection, processing, use and disclosure of his/her personal data by the Finance Parties,in each case, in accordance with or for the purposes of the Finance Documents, and confirms that it is authorised by such individual to provide such consent on his/her behalf.
- (b) Each Obligor agrees and undertakes to notify the Agent promptly upon becoming aware of the withdrawal by the relevant individual of his/her consent to the collection, processing, use and/or disclosure by any Finance Party of any personal data provided by that Obligor to any Finance Party.
- (c) Any consent given pursuant to this Agreement in relation to personal data shall, subject to all applicable laws and regulations, survive death, incapacity, bankruptcy or insolvency of any such individual and the termination of this Agreement.

52.5 Entire agreement

This clause 52 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

52.6 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

52.7 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrowers:

- (a) of the circumstances of any disclosure of Confidential Information made to any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body or the rules of any relevant stock exchange or pursuant to any applicable law or

regulation pursuant to clause 52.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any such person during the ordinary course of its supervisory or regulatory function; and

- (b) upon becoming aware that Confidential Information has been disclosed in breach of this clause 52.

52.8 Continuing obligations

The obligations in this clause 52 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

53 Confidentiality of Funding Rates and Reference Bank Quotations

53.1 Confidentiality and disclosure

- (a) The Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.
- (b) The Agent may disclose:
 - (i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the Borrowers pursuant to clause 10.5(*Notification of rates of interest*), and
 - (ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.
- (c) The Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Obligor may disclose any Funding Rate, to:
 - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no

requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

- (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.
- (d) The Agent's obligations in this clause 53 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under clause 10.5(*Notification of rates of interest*) provided that (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

53.2 Related obligations

- (a) The Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.
- (b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:
 - (i) of the circumstances of any disclosure made pursuant to clause 53.1(c)(ii)(*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this clause 53.

53.3 No Event of Default

No Event of Default will occur under clause 33.5(*Other obligations*) by reason only of an Obligor's failure to comply with this clause 53.

54 Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

55 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party (and any other Obligor who is a party to any other Finance Document to which this clause is expressed by the terms of that other Finance Document to apply) acknowledges and accepts that any liability of any Finance Party to another Finance Party or to an Obligor under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it;
and
 - (iii) a cancellation of any such liability;
and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

Section 12 - Governing Law and Enforcement

56 Governing law

This Agreement and any non-contractual obligations connected with it are governed by English law.

57 Enforcement

57.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Agreement) (a **Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraphs (a) and (b) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

57.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor who is a Party (unless it is incorporated in England and Wales):

- (a) irrevocably appoints the person named in Schedule 1 (*The original parties*) as that Obligor's English process agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;
- (b) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned; and
- (c) if any person appointed as process agent for an Obligor is unable for any reason to act as agent for service of process, that Obligor must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent (including Saville & Co Scrivener Notaries, Cheeswrights LLP and The Law Debenture Corporation p.l.c. or any of their Affiliates providing such professional service) for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

**Schedule 1
The original parties**

Borrowers and Hedging Guarantors

Name of Borrower:	Wind N1063 Limited (as such company name may subsequently be amended)
Jurisdiction of incorporation:	Republic of Cyprus
Registered office:	23 Kennedy Avenue Globe House, 4th Floor 1075 Nicosia Republic of Cyprus
Registered number:	HE 451060
Shareholder of Borrower:	Parent
Name of Borrower:	Wind N1064 Limited (as such company name may subsequently be amended)
Jurisdiction of incorporation:	Republic of Cyprus
Registered office:	23 Kennedy Avenue Globe House, 4th Floor 1075 Nicosia Republic of Cyprus
Registered number:	HE 451063
Shareholder of Borrower:	Parent

Parent

Name of Parent:	Cadeler A/S
Jurisdiction of incorporation:	Denmark
Registered office:	Arne Jacobsens Allé 7, 7 2300 Copenhagen S Denmark
Registered number:	31180503

Obligor process agent

Name:	Elemental Process Agent Limited
Registered office:	27 Old Gloucester Street WC1N 3AX London United Kingdom

Obligor address for service of notices

Address:	Arne Jacobsens Allé 7, 7 2300 Copenhagen S Denmark
Email:	peter.brogaard@cadeler.com mathias.hartmann@cadeler.com
Attention:	Peter Brogaard Hansen Mathias Hartmann

Original Lenders and their Commitments

Name of Original Lender	Facility Office	Notice Details	Commitment (€)
DNB Bank ASA	Dronning Eufemias Gate 30 0191, Oslo Norway	Address: Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Loan Admin Corporate E-mail Address: loanadmin.corporate@dnb.no	47,000,000
Banco Santander, S.A.	Paseo de Pereda 9-12, 39004 Santander (Cantabria) Spain	Address: Ciudad Financiera Av. de Cantabria s/n Edificio Dehesa 2nd floor 28660 Boadilla del Monte Spain Attention (Operational matters): Export Finance BO Jaime Sanz-Ramos Suarez Ji Nam Lee Attention (Credit matters): Export Finance BO Jaime Sanz-Ramos Suarez Ji Nam Lee Santonja Garcia Carlos Suzuki Kento Email Address (Operational matters): MOExportFinance@gruposantander.com ExportFinanceBO@gruposantander.com jaime.sanzramos@gruposantander.com jinam.lee@gruposantander.com Email Address (Credit matters): MOExportFinance@gruposantander.com jaime.sanzramos@gruposantander.com jinam.lee@gruposantander.com	33,000,000

		casantonja@gruposantander.com kento.suzuki@gruposantander.com	
Coöperatieve Rabobank U.A.	Croeselaan 18 3521 CB Utrecht The Netherlands	Croeselaan 18 3521 CB Utrecht The Netherlands Attention (operational matters): Eva Lyberis Attention (credit matters): Anne Daems Mireille Bombeld Email Address (operational matters): Eva.lyberis@rabobank.com exportfinance@rabobank.com cos.loansadmin@rabobank.com Email Address (credit matters): Anne.Daems@rabobank.com Mireille.Bombeld@rabobank.com Jeroen.van.aalst@rabobank.com	53,000,000

Credit Agricole Corporate and Investment Bank	12, place des Etats-Unis CS 70052 92547 Montrouge CEDEX France	Address: 12, place des Etats-Unis CS 70052 92547 Montrouge CEDEX France Attention (operational matters): Clementine Costil Romy Roussel Sylvain Tissier Phandieuanh Nguyen Attention: (credit matters): Nils Christian Green Tobias Gilje Jonas Gabrielsen Alexandre Chau Email Address (operational matters): clementine.costil@ca-cib.com romy.roussel@ca-cib.com sylvain.tissier@ca-cib.com phandieuanh.nguyen2@ca-cib.com Email Address (credit matters): nilschristian.green@ca-cib.com tobias.gilje@ca-cib.com jonas.gabrielsen@ca-cib.com alexandre.chau@ca-cib.com	33,000,000
Crédit Industriel et Commercial Singapore Branch	182 Cecil Street #33-01 Frasers Tower Singapore 069547	Address: 182 Cecil Street #33-01 Frasers Tower Singapore 069547 Attention: Lee Chow Wee Yvonne Toh Tan Yew Siong Hong Swee Hon Transaction Management Email Address: chowwee.lee@cic.asia yvonne.toh@cic.asia	33,000,000

		yewsiang.tan@cic.asia sweehon.hong@cic.asia sg-tmd@cic.asia	
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	10 Marina Boulevard Marina Bay Financial Centre Tower 2 #46-01 Singapore 018983	Address: 10 Marina Boulevard Marina Bay Financial Centre Tower 2 #46-01 Singapore 018983 Attention (credit matters): Valerie Tan Attention (loan administration matters): Jerhythm Lim Jasmine Phoon Email Address (credit matters): valerie.e.tan@hsbc.com.sg Email Address (loan administration matters): jerhythm.lim@hsbc.com.sg jasmine.m.z.phoon@hsbc.com.sg Telephone (loan administration matters): + 65 6658 6305 / 6116 Telephone (loan administration matters): + 65 6658 0999 / 6130	33,000,000
KfW IPEX-Bank GmbH	Palmengartenstraße 5-9 60325 Frankfurt am Main Germany	Address: Palmengartenstraße 5-9 60325 Frankfurt am Main Germany Attention (documentation / credit matters): Clare Shanahan Email Address: Clare.shanahan@kfw.de Attention (loan administrative purposes): Stefan Seibert Email Address: Stefan.Seibert@kfw.de	38,000,000

Oversea-Chinese Banking Corporation Limited	Oversea-Chinese Banking Corporation Limited	Documentation/Credit Matters: Address: 65 Chulia Street #10-00, OCBC Centre, Singapore 049513 Attention: Shaun Lim Melvin Phang Angeline Teo Email Address: ShaunLim2@ocbc.com MelvinPhang@ocbc.com Angeline.Teo@ocbc.com Loan Administrative purposes: Address: 63 Chulia Street #08-01/02 OCBC Centre East Singapore 049514 Attention: BBCSCSyndication Business Banking Commercial Service Centre Telephone No.: +65 6538 2222 (Customer Service Hotline – Attention to Leong Oi Li) Email Address: BBCSCSyndication@ocbc.com BizConnect@ocbc.com	42,000,000
Societe Generale	29 Boulevard Haussmann 75009 Paris France	Address: 29 Boulevard Haussmann 75009 Paris France Address (credit matters): Société Générale 189, rue d'Auberbilliers 75886 PARIS CEDEX 18 Attention: Mehdi Sebti Hongzhou Guo Arnaud Evrin Thi Kim Anh Nguyen Email Address:	47,000,000

		mehdi.sebti@sgcib.com hongzhou.guo@sgcib.com arnaud.evrin@sgcib.com thi-kim-anh.nguyen@sgcib.com	
SpareBank 1 SR-Bank ASA	Christen Tranes gate 35 4007 Stavanger Norway	Address: P.O. Box 250 N-4066 Stavanger Norway Attention: Loan Administration Trond Stave Email Address: loanadmin@sr-bank.no trond.stave@sr-bank.no	33,000,000
Standard Chartered Bank (Singapore) Limited	8 Marina Boulevard #19-01 Marina Bay Financial Centre Tower 1 Singapore 018981	Address: 8 Marina Boulevard #19-01 Marina Bay Financial Centre Tower 1 Singapore 018981 Attention (operational matters): Global Lending Services Chonawut Mick Prasatsak Valerie Toh Clara Gan Attention (credit matters): Amy Chow Chonawut Mick Prasatsak Clara Gan Lim Jingyi Leo Xiong Email Address (operational matters): sg_loaninstructions@sc.com sg_loansprocessing@sc.com Chonawut.Prasatsak@sc.com Valerie.Toh@sc.com clara.gan@sc.com Email Address (credit matters): Chow.Amy-See-Bing@sc.com Chonawut.Prasatsak@sc.com Clara.Gan@sc.com Jingyi.Lim@sc.com Leo.xiong@sc.com	33,000,000

Total Commitments:			425,000,000
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The Agent

Name:	DNB Bank ASA
Facility office and notice details	Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Agency Syndicated Loans E-mail Address: agentdesk@dnb.no

The Security Agent

Name:	DNB Bank ASA
Facility office and notice details	Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Agency Syndicated Loans E-mail Address: agentdesk@dnb.no

The Sinosure Agent

Name:	DNB Bank ASA
Facility office and notice details	Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Kjell Tore Egge Email Address: kjell.tore.egge@dnb.no

The Arrangers

Name:	DNB Bank ASA
Facility office and notice details	Dronning Eufemias Gate 30 0191, Oslo Norway Attention: Loan Admin Corporate E-mail Address: loanadmin.corporate@dnb.no
Name:	Banco Santander, S.A.
Facility office and notice details	Ciudad Financiera Av. de Cantabria s/n Edificio Dehesa 2nd floor 28660 Boadilla del Monte Spain Attention (Operational matters):

	<p>Export Finance BO Jaime Sanz-Ramos Suarez Ji Nam Lee</p> <p>Attention (Credit matters):</p> <p>Export Finance BO Jaime Sanz-Ramos Suarez Ji Nam Lee Santonja Garcia Carlos Suzuki Kento</p> <p>Email Address (Operational matters):</p> <p>MOExportFinance@gruposantander.com ExportFinanceBO@gruposantander.com jaime.sanzramos@gruposantander.com jinam.lee@gruposantander.com</p> <p>Email Address (Credit matters):</p> <p>MOExportFinance@gruposantander.com jaime.sanzramos@gruposantander.com jinam.lee@gruposantander.com casantonja@gruposantander.com kento.suzuki@gruposantander.com</p>
Name:	Coöperatieve Rabobank U.A.
Facility office and notice details	<p>Croeselaan 18 3521 CB Utrecht The Netherlands</p> <p>Attention (operational matters):</p> <p>Eva Lyberis</p> <p>Attention (credit matters):</p> <p>Anne Daems Mireille Bombeld</p> <p>Email Address (operational matters):</p> <p>Eva.lyberis@rabobank.com exportfinance@rabobank.com cos.loansadmin@rabobank.com</p> <p>Email Address (credit matters):</p> <p>Anne.Daems@rabobank.com Mireille.Bombeld@rabobank.com Jeroen.van.aalst@rabobank.com</p>
Name:	Credit Agricole Corporate and Investment Bank
Facility office and notice details	<p>12, place des Etats-Unis CS 70052 92547 Montrouge Cedex France</p> <p>Attention (operational matters):</p>

	<p>Clementine Costil Romy Roussel Sylvain Tissier Phandieuanh Nguyen</p> <p>Attention (credit matters):</p> <p>Nils Christian Green Tobias Gilje Jonas Gabrielsen Alexandre Chau</p> <p>Email Address (operational matters):</p> <p>clementine.costil@ca-cib.com romy.roussel@ca-cib.com sylvain.tissier@ca-cib.com phandieuanh.nguyen2@ca-cib.com</p> <p>Email Address (credit matters):</p> <p>nilschristian.green@ca-cib.com tobias.gilje@ca-cib.com jonas.gabrielsen@ca-cib.com alexandre.chau@ca-cib.com</p>
Name:	Crédit Industriel et Commercial Singapore Branch
Facility office and notice details	<p>182 Cecil Street #33-01 Frasers Tower Singapore 069547</p> <p>Attention:</p> <p>Lee Chow Wee Yvonne Toh Tan Yew Siong Hong Swee Hon Transaction Management</p> <p>Email Address:</p> <p>chowwee.lee@cic.asia yvonne.toh@cic.asia yewsiong.tan@cic.asia sweehon.hong@cic.asia sg-tmd@cic.asia</p>
Name:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Facility office and notice details	<p>10 Marina Boulevard Marina Bay Financial Centre Tower 2 #46-01 Singapore 018983</p> <p>Attention (credit matters): Valerie Tan</p> <p>Attention (loan administration matters): Jerhythm Lim</p>

	<p>Jasmine Phoon</p> <p>Email Address (credit matters): valerie.e.tan@hsbc.com.sg</p> <p>Email Address (loan administration matters): jerhythm.lim@hsbc.com.sg jasmine.m.z.phoon@hsbc.com.sg</p> <p>Telephone (loan administration matters): + 65 6658 6305 / 6116 Telephone (loan administration matters): + 65 6658 0999 / 6130</p>
Name:	KfW IPEX-Bank GmbH
Facility office and notice details	<p>Palmengartenstraße 5-9 60325 Frankfurt am Main Germany</p> <p>Attention (documentation / credit matters):</p> <p>Clare Shanahan</p> <p>Email Address: Clare.shanahan@kfw.de</p> <p>Attention (loan administrative purposes):</p> <p>Stefan Seibert</p> <p>Email Address: Stefan.Seibert@kfw.de</p>
Name:	Oversea-Chinese Banking Corporation Limited
Facility office and notice details	<p>Documentation/Credit Matters: Address: 65 Chulia Street #10-00, OCBC Centre, Singapore 049513 Attention: Shaun Lim / Melvin Phang / Angeline Teo Email Address: ShaunLim2@ocbc.com / MelvinPhang@ocbc.com / Angeline.Teo@ocbc.com</p> <p>Loan Administrative purposes: Address: 63 Chulia Street #08-01/02 OCBC Centre East Singapore 049514 Attention: BBCSCSyndication / Business Banking Commercial Service Centre Telephone No.: +65 6538 2222 (Customer Service Hotline – Attention to Leong Oi Li) Email Address: BBCSCSyndication@ocbc.com / BizConnect@ocbc.com</p>
Name:	Societe Generale
Facility office and notice details	<p>29 Boulevard Haussmann 75009 Paris France</p> <p>Attention:</p> <p>Mehdi Sebti Hongzhou Guo</p>

	<p>Arnaud Evrin Thi Kim Anh Nguyen</p> <p>Email Address: mehdi.sebti@sgcib.com hongzhou.guo@sgcib.com arnaud.evrin@sgcib.com thi-kim-anh.nguyen@sgcib.com</p>
Name:	SpareBank 1 SR-Bank
Facility office and notice details	<p>Christen Tranes gate 35 4007 Stavanger Norway</p> <p>Attention:</p> <p>Loan Administration Trond Stave</p> <p>Email Address: loanadmin@sr-bank.no trond.stave@sr-bank.no</p>
Name:	Standard Chartered Bank (Singapore) Limited
Facility office and notice details	<p>8 Marina Boulevard #19-01 Marina Bay Financial Centre Tower 1 Singapore 018981</p> <p>Attention (credit matters): Amy Chow Chonawut Mick Prasatsak Clara Gan Lim Jingyi Winnie Wong Kim Zhang Limin</p> <p>Email Address (credit matters): Chow.Amy-See-Bing@sc.com Chonawut.Prasatsak@sc.com Clara.Gan@sc.com Jingyi.Lim@sc.com WinnieWS.Wong@sc.com Kim.Zhang@sc.com</p>

The Original Hedging Providers

Name:	DNB Bank ASA
Facility office and notice details	<p>Dronning Eufemias Gate 30 0191, Oslo Norway</p> <p>Email address: isda@dnb.no</p>
Name:	Banco Santander, S.A.
Facility office and notice details	<p>Address:</p> <p>Ciudad Financiera Av. de Cantabria s/n Edificio Dehesa 2nd floor 28660 Boadilla del Monte Spain</p> <p>Attention (Operational matters):</p> <p>Export Finance BO Jaime Sanz-Ramos Suarez Ji Nam Lee</p> <p>Attention (Credit matters):</p> <p>Export Finance BO Jaime Sanz-Ramos Suarez Ji Nam Lee Santonja Garcia Carlos Suzuki Kento</p> <p>Email Address (Operational matters):</p> <p>MOExportFinance@gruposantander.com ExportFinanceBO@gruposantander.com jaime.sanzramos@gruposantander.com jinam.lee@gruposantander.com</p> <p>Email Address (Credit matters):</p> <p>MOExportFinance@gruposantander.com jaime.sanzramos@gruposantander.com jinam.lee@gruposantander.com casantonja@gruposantander.com kento.suzuki@gruposantander.com</p>
Name:	Coöperatieve Rabobank U.A.
Facility office and notice details	<p>Croeselaan 18 3521 CB Utrecht The Netherlands</p> <p>Attention (operational matters): Eva Lyberis</p>

	<p>Attention (credit matters): Anne Daems Mireille Bombeld</p> <p>Email Address (operational matters): Eva.lyberis@rabobank.com exportfinance@rabobank.com cos.loansadmin@rabobank.com</p> <p>Email Address (credit matters): Anne.Daems@rabobank.com Mireille.Bombeld@rabobank.com Jeroen.van.aalst@rabobank.com</p>
Name:	Crédit Industriel et Commercial Singapore Branch
Facility office and notice details	<p>Address: 182 Cecil Street #33-01 Frasers Tower Singapore 069547</p> <p>Attention: Lee Chow Wee Yvonne Toh Tan Yew Siong Hong Swee Hon Transaction Management</p> <p>Email Address: chowwee.lee@cic.asia yvonne.toh@cic.asia yewsiong.tan@cic.asia sweehon.hong@cic.asia sg-tmd@cic.asia</p>
Name:	KfW IPEX-Bank GmbH
Facility office and notice details	<p>Address: Palmengartenstraße 5-9 60325 Frankfurt am Main Germany</p> <p>Attention (documentation / credit matters): Clare Shanahan</p> <p>Email Address: Clare.shanahan@kfw.de</p> <p>Attention (loan administrative purposes): Stefan Seibert</p> <p>Email Address: Stefan.Seibert@kfw.de</p>
Name:	Oversea-Chinese Banking Corporation Limited

Facility office and notice details	65 Chulia Street #10-00 OCBC Centre Singapore 049513 Attention: Shaun Lim / Melvin Phang / Angeline Teo Email Address: ShaunLim2@ocbc.com / MelvinPhang@ocbc.com / Angeline.Teo@ocbc.com
Name:	Societe Generale
Facility office and notice details	29 Boulevard Haussmann 75009 Paris France Attention: Mehdi Sebti Hongzhou Guo Arnaud Evrin Thi Kim Anh Nguyen Email Address: mehdi.sebti@sgcib.com hongzhou.guo@sgcib.com arnaud.evrin@sgcib.com thi-kim-anh.nguyen@sgcib.com
Name:	SpareBank 1 SR-Bank
Facility office and notice details	Address: Christen Tranes gate 35 4007 Stavanger Norway Attention: Loan Administration Trond Stave Email Address: loanadmin@sr-bank.no trond.stave@sr-bank.no
Name:	Standard Chartered Bank (Singapore) Limited
Facility office and notice details	8 Marina Boulevard #19-01 Marina Bay Financial Centre Tower 1 Singapore 018981 Attention (operational matters): Global Lending Services Chonawut Mick Prasatsak Valerie Toh Clara Gan Attention (credit matters): Amy Chow Chonawut Mick Prasatsak Clara Gan Lim Jingyi

	<p>Email Address (operational matters):</p> <p>sg.loaninstructions@sc.com sg.loansprocessing@sc.com Chonawut.Prasatsak@sc.com Valerie.Toh@sc.com clara.gan@sc.com</p> <p>Email Address (credit matters):</p> <p>Chow.Amy-See-Bing@sc.com Chonawut.Prasatsak@sc.com Clara.Gan@sc.com Jingyi.Lim@sc.com</p>
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The Account Bank

Name:	DNB Bank ASA
Address:	Dronning Eufemias Gate 30 0191, Oslo Norway

**Schedule 2
Ship information**

Ship A	
Hull Number:	N1063
Owner of Ship:	Wind N1063 Limited (as such company name may subsequently be amended)
Scheduled Delivery Date:	During third quarter of 2024
Backstop Date:	28 March 2025
Ship Commitment:	€213,826,505
Expected Flag State:	Denmark
Expected Port of Registry:	Copenhagen
Major Casualty Amount:	€2,000,000
Classification Society:	DNV GL
Classification:	DNV ✘ 1A Self-Elevating Crane Unit Wind Turbine Installation Unit, Battery (Power), Clean(Design), COMF-MOU(C-3, V-3), Crane Offshore, Cyber secure(-), DYNPOS(AUTR-CB), E0, HELDK, LCS, NAUT(AW), Shore Power, SPS, ER(SCR), FUEL READY(LFL[Ti-S-P-MEc-AEc])
Building Contract details:	Ship building contract for the construction and sale of one (1) wind turbine installation vessel (hull no. N1063) between Cadeler A/S as buyer and COSCO Shipping (Qidong) Offshore Co., Ltd (启东中远海运海洋工程有限公司), as builder dated 22 June 2021
Builder's name:	COSCO Shipping (Qidong) Offshore Co., Ltd. (启东中远海运海洋工程有限公司)
Builder's jurisdiction of incorporation:	People's Republic of China
Builder's registered office:	No.1 Zhongyuan Road, Yinyang, Qidong, Jiangsu, China
Initial Bareboat Charter description	Reference is made to the Initial Bareboat Charter between the Owner and the Parent the form of which has been delivered by the Parent to the Agent prior to the date of this Agreement.
Initial Charters and Initial Charterers description	Reference is made to the list of Initial Charters and the timeline and particulars of employment dated 22 December 2023 delivered by the Parent to the Agent prior to the date of this Agreement, providing for a minimum aggregate fixed hire period or total employment or service of at least 14 months (with one or more option(s) for the relevant charterer(s) to extend by a total period of up to 5 months in aggregate) over the course of a maximum period of 30 months from Delivery, detailing scheduled deliveries or commissioning of the Ship under its Initial Charters which allow for fulfilment of all such Initial Charters within 30 months from Delivery.

Ship B	
Hull Number:	N1064
Owner of Ship:	Wind N1064 Limited (as such company name may subsequently be amended)
Scheduled Delivery Date:	During first quarter of 2025
Backstop Date:	26 November 2025
Ship Commitment:	€211,173,495
Expected Flag State:	Denmark
Expected Port of Registry:	Copenhagen
Major Casualty Amount:	€2,000,000
Classification Society:	DNV GL
Classification:	DNV ✕ 1A Self-Elevating Crane Unit Wind Turbine Installation Unit, Battery (Power), Clean(Design), COMF-MOU(C-3, V-3), Crane Offshore, Cyber secure(-), DYNPOS(AUTR-CB), E0, HELDK, LCS, NAUT(AW), Shore Power, SPS, ER(SCR), FUEL READY(LFL[Ti-S-P-MEc-AEc])
Building Contract details:	Ship building contract for the construction and sale of one (1) wind turbine installation vessel (hull no. N1064) between Cadeler A/S as buyer and COSCO Shipping (Qidong) Offshore Co., Ltd (启东中远海运海洋工程有限公司), as builder dated 22 June 2021
Builder's name:	COSCO Shipping (Qidong) Offshore Co., Ltd. (启东中远海运海洋工程有限公司)
Builder's jurisdiction of incorporation:	People's Republic of China
Builder's registered office:	No.1 Zhongyuan Road, Yinyang, Qidong, Jiangsu, China
Initial Bareboat Charter description	Reference is made to the Initial Bareboat Charter between the Owner and the Parent the form of which has been delivered by the Parent to the Agent prior to the date of this Agreement.
Initial Charters and Initial Charterers description	Reference is made to the list of Initial Charters and the timeline and particulars of employment dated 22 December 2023 delivered by the Parent to the Agent prior to the date of this Agreement, providing for a minimum aggregate fixed hire period or total employment or service of at least 16 months over the course of a maximum period of 30 months from Delivery detailing scheduled deliveries or commissioning of the Ship under its Initial Charters which allow for fulfilment of all such Initial Charters within 30 months from Delivery.

Schedule 3
Conditions precedent

Part 1
Initial conditions precedent

- 1 **Original Obligors' corporate**
 documents
- (a) A copy of the Constitutional Documents of each Original Obligor.
 - (b) A copy of a resolution of the board of directors of each Original Obligor (or, if applicable, any committee of such board empowered to approve and authorise the following matters):
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party (its **Relevant Documents**) and resolving that it execute, deliver and perform the Relevant Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute its Relevant Documents on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and any Selection Notice) to be signed and/or despatched by it under or in connection with its Relevant Documents.
 - (c) If applicable, a copy of a resolution of the board of directors of the relevant company, establishing any committee referred to in paragraph (b) above and conferring authority on that committee.
 - (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to its Relevant Documents and related documents.
 - (e) If applicable, a copy of a resolution signed by all the holders of the issued shares in each Original Obligor (other than the Parent), approving the terms of, and the transactions contemplated by, its Relevant Documents.
 - (f) A certificate of each Original Obligor (signed by an authorised signatory) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on any Original Obligor (as applicable) to be exceeded.
 - (g) A copy of any power of attorney under which any person is appointed by any Original Obligor to execute any of its Relevant Documents on its behalf.
 - (h) A copy of a certificate of no winding-up order in respect of each Borrower.
 - (i) A certificate of an authorised signatory of each relevant Original Obligor certifying that each copy document relating to it specified in this Part of this Schedule is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement and that any such resolutions or power of attorney have not been revoked.

2 **Legal**
 opinions

The following legal opinions, each addressed to the Agent, the Security Agent, Sinosure, the Original Lenders and the Original Hedging Providers, substantially in the form distributed to the Original Lenders, the Original Hedging Providers and Sinosure and approved by the Agent prior to signing this Agreement and capable of being relied upon by any persons who become Lenders or Hedging Providers pursuant to the primary syndication of the Facility:

- (a) a legal opinion of Norton Rose Fulbright LLP on matters of English law;
- (b) a legal opinion of Chrysses Demetriades & Co. LLC on matters of Cyprus law;
- (c) a legal opinion of Moalem Weitemyer Advokatpartnerselskab on matters of Danish law;
- (d) a legal opinion of Shanghai Pacific Legal on matters of Chinese law (but excluding matters of Hong Kong, Macau Special Administrative Region and Taiwan law);
- (e) legal opinion of Advokatfirmaet Wiersholm AS on matters of Norwegian law; and
- (f) such other opinions or confirmations from relevant legal counsel selected by the Agent in respect of any matters in relation to this Agreement as the Agent shall deem necessary or desirable.

3 **Other documents and evidence**

- (a) Evidence that any process agent referred to in clause 57.2 (*Service of process*) or any equivalent provision of any other Finance Document entered into on or around the date of this Agreement, has accepted its appointment.
- (b) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Borrowers accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document provided that such Authorisation or other document, opinion or assurance is requested at least five Business Days prior to the date on which the first Utilisation Request is delivered by the Borrowers to the Agent pursuant to clause 5.1 (*Delivery of a Utilisation Request*).
- (c) The Original Financial Statements.
- (d) The Fee Letters duly executed and evidence that the fees, commissions, costs and expenses then due from the Borrowers pursuant to clause 13(*Fees*) and clause 18 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.
- (e) Confirmation from Sinasure that Sinasure accepts the terms of this Agreement and the other Finance Documents.

4 **Bank accounts**

Evidence that any Account required to be established under clause 30(*Bank accounts*) has been opened and established, that any Account Security in respect of each such Account has been executed and delivered by the relevant Account Holder(s) and that any notice required to be given to an Account Bank under that Account Security has been given to it and acknowledged by it in the manner required by that Account Security.

5 **Construction matters**

A copy, certified by an approved person to be a true and complete copy, of the Building Contract Documents for each Ship.

6 **Security Documents**

Duly executed and dated copies of each of the following Finance Documents, together with all duly executed notices, acknowledgments, letters, transfers, certificates and other documents required to be delivered thereunder:

- (a) Share Security; and
- (b) Account Security.

7 **“Know your customer”
information**

Such documentation and information as any Finance Party may reasonably request through the Agent to comply with "know your customer" or similar identification procedures under all laws and regulations applicable to that Finance Party.

Part 2
Conditions precedent on each Delivery

1 Corporate documents

- (a) A certificate of an authorised signatory of the Borrowers certifying that each copy document relating to it specified in Part 1 of this Schedule remains correct, complete and in full force and effect as at a date no earlier than a date approved for this purpose and that any resolutions or power of attorney referred to in Part 1 of this Schedule in relation to it have not been revoked or amended.
- (b) A certificate of an authorised signatory of each other Original Obligor which is party to any of the Original Security Documents required to be executed at or before Delivery of the relevant Ship certifying that each copy document relating to it specified in Part 1 of this Schedule remains correct, complete and in full force and effect as at a date no earlier than a date approved for this purpose and that any resolutions or power of attorney referred to in Part 1 of this Schedule in relation to it have not been revoked or amended.

2 Security

- (a) The Mortgage, the General Assignment and (if applicable) the Deed of Covenant in respect of the relevant Ship duly executed by the relevant Owner.
- (b) The General Assignment in respect of the relevant Ship executed by the relevant Bareboat Charterer.
- (c) Duly executed notices of assignment (including notices of assignment of the Earnings under each Initial Charter for the relevant Ship) and (on a reasonable efforts basis, unless such notice relates to an assignment of a Bareboat Charter or a Charter for which a Quiet Enjoyment Agreement is to be entered into where the relevant Ship has already been delivered under such Charter) acknowledgements of those notices as required by any of the above Security Documents, provided that no notices should be given in respect of a Charter or Charter Guarantee (as applicable) if an assignment would be in conflict with the relevant Charter or Charter Guarantee (but without prejudice to the provisions of clause 25.8(e)(Chartering)).
- (d) A Subordination Deed, if and to the extent required under the provisions of 31.3 (*Financial Indebtedness*) or 31.5 (*Loans and credit*) on account of any Financial Indebtedness incurred by a Borrower.
- (e) Each Quiet Enjoyment Agreement required as a condition to the granting of a Mortgage under a Charter or any other charter commitment and/or the assignment of Earnings under a Charter, where the relevant Ship is to be delivered under such Charter on the relevant Utilisation, duly executed by the relevant Owner or, as applicable, Bareboat Charterer, the Security Agent and the relevant charterer (the Borrowers hereby representing that no such Charter or charter commitment exists at the relevant time).

3 Delivery and registration of Ship

Evidence that the relevant Ship:

- (a) is (or will upon the release of the proceeds of the relevant Utilisation be) legally and beneficially owned by the relevant Owner and registered in the name of the relevant Owner free from any Security Interests (other than Security Interests created under the Finance Documents) through the relevant Registry as a ship under the laws and flag of the relevant Flag State;

- (b) is classed with the relevant Classification free of overdue requirements and overdue recommendations of the relevant Classification Society affecting class (including by way of an interim class certificate);
- (c) is insured in the manner required by the Finance Documents;
- (d) has been delivered to, and accepted for service by, the Bareboat Charterer under the relevant Bareboat Charter;
- (e) is free of any charter commitment (other than a Bareboat Charter and the Initial Charters for such Ship) which would require approval under the Finance Documents; and
- (f) is not subject to any prior registration (other than through the relevant Registry in the relevant Flag State) or that any prior registration has been or will (within such period as may be approved) be cancelled.

4 **Mortgage registration**

Evidence that the Mortgage in respect of the relevant Ship has been (or will upon the release of the proceeds of the relevant Utilisation be) registered against the relevant Ship through the relevant Registry under the laws and flag of the relevant Flag State.

5 **Legal opinions**

The following further legal opinions, each addressed to the Agent, the Security Agent, Sinosure, the Original Lenders and the Original Hedging Providers, substantially in the form distributed to the Original Lenders, the Original Hedging Providers and Sinosure and approved by the Agent prior to signing this Agreement in relation to Security Documents and the Sinosure Insurance Policy for the relevant Ship and capable of being relied upon by any persons who become Lenders or Hedging Providers pursuant to the primary syndication of the Facility:

- (a) a legal opinion of Norton Rose Fulbright LLP on matters of English law;
- (b) a legal opinion of Moalem Weitemeyer Advokatpartnerselskab on matters of Danish law;
- (c) a legal opinion of Chrysses Demetriades & Co. LLC on matters of Cyprus law;
- (d) legal opinion of Advokatfirmaet Wiersholm AS on matters of Norwegian law;
- (e) a legal opinion from legal counsel on matters of law of the relevant Flag State of the Ship; and
- (f) such other opinions or confirmations from relevant legal counsel selected by the Agent in respect of any matters in relation to this Agreement as the Agent shall deem necessary or desirable.

6 **Insurance**

In relation to the relevant Ship's Insurances:

- (a) an opinion from insurance consultants appointed by the Agent on such Insurances;
- (b) evidence that such Insurances have been placed in accordance with clause 27 (*insurance*); and
- (c) evidence that approved brokers, insurers and/or associations have issued or will issue letters of undertaking (including fleet premium lien waivers) in favour of the Agent in an approved form in relation to the Insurances provided the same is requested at least 5 Business Days prior to the date on which the relevant Utilisation Request is delivered.

7 **ISM and ISPS Code**

Copies of:

- (a) the document of compliance issued in accordance with the ISM Code to the person who is the operator of the relevant Ship for the purposes of that code; and
- (b) if so requested by the Agent no later than 5 Business Days prior to the date on which the relevant Utilisation Request is delivered by the Borrowers (or the Parent on their behalf), any other certificates issued under any applicable code required to be observed by the relevant Ship or in relation to its operation under any applicable law.

8 **Value of security**

Valuations of the relevant Ship obtained (not more than 60 days before the relevant Utilisation Date) in accordance with clause 28(*Minimum security value*) showing that the Security Value at the relevant time will be not less than 140 per cent of the amount of the Loan (including the Advance for that Ship that is to be drawn) upon execution of the Security Documents specified in paragraph 2 (*Security*) of this Part 2 of this Schedule and the Utilisation.

9 **Construction matters**

- (a) Evidence that any Authorisations required from any government entity for the export of the Ship by the Builder have been obtained or that no such Authorisations are required.
- (b) Evidence of the full Contract Price for the relevant Ship (as adjusted in accordance with the Building Contract, including amounts payable thereunder in respect of any variation orders for equipment or liquidated damages) showing that the amount of the relevant Advance is in compliance with the requirements of 5.3 (*Currency and amount*).
- (c) Evidence that the full Contract Price for the relevant Ship (as adjusted in accordance with its Building Contract, including amounts payable thereunder in respect of any variation orders for equipment) will have been paid upon the relevant Utilisation being made and that the Builder will not have any lien or other right to detain the Ship on its Delivery.
- (d) A copy of the builder's certificate and (if applicable) any bill of sale conveying title to the relevant Owner and the protocol of delivery and acceptance and commercial invoice and, if so requested by the Agent no later than 5 Business Days prior to the date on which the relevant Utilisation Request is delivered, any other certificates or documents required under the relevant Building Contract.

10 **Fees and expenses**

Evidence that the fees, commissions, costs and expenses then due from the Borrowers pursuant to clause 13(*Fees*) and clause 18 (*Costs and expenses*) have been paid or will be paid by the relevant Utilisation Date.

11 **Inventory of Hazardous Materials**

A copy of the certificate being the document listing all the potentially hazardous materials on board the relevant Ship.

12 **Initial Bareboat Charter**

In relation to the relevant Ship's Initial Bareboat Charter, a copy of the Initial Bareboat Charter executed by all parties to it (i) evidencing that the terms of such Initial Bareboat Charter reflect the terms of the form of Initial Bareboat Charter provided to the Agent prior to the date of this Agreement and as described in Schedule 2 (*Ship information*) and providing for charter hire which, for the entire tenor of the same, is not less than the relevant Minimum Bareboat Charter Hire or (ii) in such form and substance acceptable to the Majority Lenders.

13 **Initial Charters**

In relation to the relevant Ship's Initial Charters:

- (a) to the extent such disclosure does not constitute a breach of the relevant Initial Charter, a description of the main terms of each Initial Charter; and
- (b) a copy of the timeline and particulars of employment provided to the Agent prior to the date of this Agreement and as described in Schedule 2 (*Ship information*) (updated to the extent that there have been any changes to such timeline and particulars of employment) certified by an approved person as being a true and complete copy as at a date no earlier than a date approved for this purpose, evidencing that the relevant Ship's Initial Charters provide for a minimum aggregate fixed hire period or total employment or service of at least 16 months over the course of a maximum period of 30 months from Delivery.

14 **Management**

Where a manager of the relevant Ship has been approved in accordance with clause 25.4(*Manager*), a copy, certified by an approved person to be a true and complete copy, of the Management Agreement relating to such Ship in form and substance in all respects approved.

15 **Process Agent**

Evidence that any process agent of any Obligor referred to in any provision of any Finance Document to be entered into under this Part 2 has accepted its appointment.

16 **Sinosure Insurance Policy**

- (a) An original counterpart of the Sinosure Insurance Policy for the relevant Advance, duly executed by Sinosure, in addition to a copy of an English translation of the Sinosure Insurance Policy. For the avoidance of doubt the English translation shall be provided by legal advisers to the Lenders on matters of Chinese law (but excluding matters of Hong Kong, Macau Special Administrative Region and Taiwan law) at the Borrowers' cost, in form and substance satisfactory to the Agent, the Sinosure Agent and the Lenders.
- (b) A legal opinion of the legal advisers to the Agent in the People's Republic of China on matters of Chinese law (but excluding matters of Hong Kong, Macau Special Administrative Region and Taiwan law), substantially in the form approved by the Security Agent and the Lenders, which shall include confirmation that the relevant Sinosure Insurance Policy has been duly issued for the benefit of the Lenders by Sinosure and that it is in full force and effect.
- (c) Documents evidencing that the Sinosure Premium in relation to such Sinosure Insurance Policy and any costs and expenses which are then due and payable to Sinosure has been paid by the Borrowers and received by Sinosure in full, including a copy of Sinosure's premium invoice or invoices for the Sinosure Premium in relation to such Sinosure Insurance Policy.
- (d) Confirmation from the Sinosure Agent to the Agent (in a manner satisfactory to the Agent) that Sinosure has confirmed: (i) that the relevant Sinosure Insurance Policy has become effective and (ii) it has received in full the Sinosure Premium payable pursuant to the relevant notice.
- (e) The Agent has not been informed in writing that Sinosure intends to, nor that Sinosure has stipulated in writing its intention to, repudiate or suspend the application of the Sinosure Insurance Policy for any Advance.
- (f) Sinosure has not instructed the Sinosure Agent that the relevant Advance should not be permitted or made available by the Lenders or, as the case may be, the Agent.

(g) A copy of the relevant exporter declaration in the form required by Sinosure duly signed by an authorised signatory of the relevant Builder.

17 **DSRA
Balances**

Evidence that the Borrowers are in compliance with the minimum credit balances of the Debt Service Reserve Accounts required under clause 30.3 *Debt Service Reserve Account*).

Part 3
Conditions Precedent for Additional Guarantors

- 1 An Accession Deed duly executed by the relevant Additional Guarantor and the Parent.
 - 2 A copy of the Constitutional Documents of the relevant Additional Guarantor.
 - 3 A copy of a resolution of the board of directors of the relevant Additional Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Accession Deed and any other Finance Document to which it is party;
 - (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including any Utilisation Request or Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (d) authorising the Parent to act as its agent in connection with the Finance Documents
 - 4 A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
 - 5 If applicable, a copy of a resolution signed by all the holders of the issued shares in the relevant Additional Guarantor, approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents.
 - 6 A certificate of the relevant Additional Guarantor (signed by an authorised signatory) confirming that guaranteeing or securing, as appropriate, the Total Commitments would not cause any guarantee, security or similar limit binding on it to be exceeded.
 - 7 A certificate of an authorised signatory of the relevant Additional Guarantor certifying that each copy document listed in this Part 3 of Schedule 3 (*Conditions precedent*) in respect of the Additional Guarantor is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Deed.
 - 8 A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Deed or for the validity and enforceability of any Finance Document.
 - 9 If available, the latest audited financial statements of the relevant Additional Guarantor.
 - 10 The following legal opinions, each addressed to the Agent, the Security Agent and the Lenders:
 - (a) A legal opinion of Norton Rose Fulbright LLP, legal advisers to the Agent in England, as to English law in the form distributed to the Lenders, the Agent and Sinosure prior to signing the Accession Deed.
 - (b) A legal opinion of the legal advisers to the Agent in the jurisdiction of incorporation of the relevant Additional Guarantor and the jurisdiction of the governing law of each Finance Document to which it is a party (an **Applicable Jurisdiction**) as to the law of each Applicable Jurisdiction and in the form distributed to the Lenders, the Agent and Sinosure prior to signing the Accession Deed.
-

- 11 If the relevant Additional Guarantor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in clause 57.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to that Additional Guarantor.
- 12 Any Finance Documents which are required by the Agent to be executed by the relevant Additional Guarantor.
- 13 Such documentary evidence as legal counsel to the Agent may require, that the relevant Additional Guarantor has complied with any law in its jurisdiction relating to financial assistance or analogous process.

**Schedule 4
Utilisation Request**

From: [Wind N1063 Limited and Wind N1064 Limited]
[Cadeler A/S]

To: [DNB Bank ASA as Agent]

Dated: [●]

Dear Sirs

€425,000,000 Facility Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
- 2 We wish to borrow an Advance under the Ship Commitment for Ship [A][B] on the following terms:

Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)

Amount: €[●]
- 3 We confirm that each condition specified in clause 4.3 (*Further conditions precedent*) of the Facility Agreement is satisfied on the date of this Utilisation Request.
- 4 The purpose of this Advance is [specify purpose complying with clause 3 of the Facility Agreement] [and its proceeds should be credited to [●] [specify account]].
- 5 We request that the first Interest Period for the relevant Advance be [3] Months.
- 6 The final Contract Price for Ship [A][B] is €[●].
- 7 This Utilisation Request is irrevocable and cannot be varied without the prior written consent of the Majority Lenders and Sinosure.

Yours faithfully

[.....
authorised signatory for
Wind N1063 Limited

[.....
authorised signatory for
Wind N1064 Limited

[.....
authorised signatory for
Cadeler A/S

Schedule 5
Form of Disbursement and Repayment Report to Sinosure

DZBH6003201701



提款还款情况通报表
(出口买方信贷保险适用)

Disbursement and Repayment Report of Buyer's Credit Insurance

填表日期 (Date of Reporting): X年X月X日(DD/MM /YY) 货币单位 (Currency):

项目名称Project Name:		保险单号 Insurance Policy N°:		备注Comments:
借款人Borrower		担保人Guarantor		
贷款人Lender(s)		贷款协议号Loan Agreement Ref.		
出口方Exporter		项目所在国Host Country		

提款情况 Disbursements

	计划提款日期Scheduled Disbursement Date	计划提款金额 Scheduled Disbursement Amount	实际提款日期 Actual Disbursement Date	实际提款金额 Actual Disbursement Amount	备注 Comments:

1	X年X月X日(DD/MM /YY)				X年X月X日(DD/MM /YY)						
...						
累计提款金额 Accumulated Disbursements:					0.00				0.00		
还款情况 Repayments											
	计划还款日期 Scheduled Repayment Date	计划还款 金额 Scheduled Repayment Amount	本 金Principle	利 息Interest	适用利 率Applicable Interest Rate	实际还款日期Actual Repayment Date	实际还款 金额 Actual Repayment Amount	本 金Principle	利 息Interest	适用利 率Applicable Interest Rate	备 注Comments
1	X年X月X日(DD/MM /YY)					X年X月X日(DD/MM /YY)					
...					
累计金额 Accumulated Amount:		0.00	0.00	0.00		累计金额 Accumulated Amount:	0.00	0.00	0.00		

填表说明：

1. 本表仅为为贷款银行向中国出口信用保险公司通报贷款协议支付和回收管理情况。
This form is only set for the purpose of reporting to be made by the Lenders to SINOSURE regarding disbursements and payments of the loan.
2. 贷款银行将贷款汇入借款人帐户后，在10个工作日内书面通知中国出口信用保险公司放款情况。
Within 10 days after transfer of funds by the Lenders to the account of the Borrower, the Lenders shall notify SINOSURE in writing the relevant

disbursement.

3. 如果按贷款协议规定，出现逾期未收情况，请及时通报说明。

Upon the occurrence of any amount becoming overdue as per the provisions of the Loan Agreement, notification of such shall be made immediately.

4. 本表中利息不包括逾期后产生的利息。

The interest declared in this table does not include any interest for overdue payment.

5. 本表应本着实事求是，最大诚信原则填写。

This table shall be written and reported in good faith.

填表人： 复核人： 公章 - 年 - 月 - 日
Reporting made by: Reviewed by: Company Stamp (DD/MM /YY)

**Schedule 6
Selection Notice**

From: Wind N1063 Limited
and
Wind N1064 Limited
To: [DNB Bank ASA as Agent]

Dated: [●]

Dear Sirs

€425,000,000 Facility Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a Selection Notice. Terms defined in the Facility Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
- 2 We request that the next Interest Period for the Advance in relation to Ship [A][B] be [●] Months.
- 3 This Selection Notice is irrevocable.

Yours faithfully

.....
authorised signatory for
Wind N1063 Limited
.....
authorised signatory for
Wind N1064 Limited

Schedule 7
Original Schedule of Repayment Amounts

Repayment Date	Advance A (in relation to Ship A) Amount €213,826,505 (€)	Advance B (in relation to Ship B) Amount €211,173,495 (€)
First	4,454,718.85	4,399,447.81
Second	4,454,718.85	4,399,447.81
Third	4,454,718.85	4,399,447.81
Fourth	4,454,718.85	4,399,447.81
Fifth	4,454,718.85	4,399,447.81
Sixth	4,454,718.85	4,399,447.81
Seventh	4,454,718.85	4,399,447.81
Eighth	4,454,718.85	4,399,447.81
Ninth	4,454,718.85	4,399,447.81
Tenth	4,454,718.85	4,399,447.81
Eleventh	4,454,718.85	4,399,447.81
Twelfth	4,454,718.85	4,399,447.81
Thirteenth	4,454,718.85	4,399,447.81
Fourteenth	4,454,718.85	4,399,447.81
Fifteenth	4,454,718.85	4,399,447.81
Sixteenth	4,454,718.85	4,399,447.81
Seventeenth	4,454,718.85	4,399,447.81
Eighteenth	4,454,718.85	4,399,447.81
Nineteenth	4,454,718.85	4,399,447.81
Twentieth	4,454,718.85	4,399,447.81
Twenty First	4,454,718.85	4,399,447.81
Twenty Second	4,454,718.85	4,399,447.81
Twenty Third	4,454,718.85	4,399,447.81
Twenty Fourth	4,454,718.85	4,399,447.81
Twenty Fifth	4,454,718.85	4,399,447.81
Twenty Sixth	4,454,718.85	4,399,447.81
Twenty Seventh	4,454,718.85	4,399,447.81
Twenty Eighth	4,454,718.85	4,399,447.81
Twenty Nineth	4,454,718.85	4,399,447.81
Thirtieth	4,454,718.85	4,399,447.81
Thirty First	4,454,718.85	4,399,447.81
Thirty Second	4,454,718.85	4,399,447.81
Thirty Third	4,454,718.85	4,399,447.81
Thirty Fourth	4,454,718.85	4,399,447.81
Thirty Fifth	4,454,718.85	4,399,447.81

Repayment Date	Advance A (in relation to Ship A) Amount €213,826,505 (€)	Advance B (in relation to Ship B) Amount €211,173,495 (€)
Thirty Sixth	4,454,718.85	4,399,447.81
Thirty Seventh	4,454,718.85	4,399,447.81
Thirty Eighth	4,454,718.85	4,399,447.81
Thirty Ninth	4,454,718.85	4,399,447.81
Fortieth	4,454,718.85	4,399,447.81
Forty First	4,454,718.85	4,399,447.81
Forty Second	4,454,718.85	4,399,447.81
Forty Third	4,454,718.85	4,399,447.81
Forty Fourth	4,454,718.85	4,399,447.81
Forty Fifth	4,454,718.85	4,399,447.81
Forty Sixth	4,454,718.85	4,399,447.81
Forty Seventh	4,454,718.85	4,399,447.81
Forty Eighth	4,454,718.85	4,399,447.81
TOTAL (€)	213,826,505	211,173,495

Schedule 8
Form of Accession Deed

To: DNB Bank ASA as Agent and as Security Agent for the other Finance Parties to the Facility Agreement referred to below

From: [insert Additional Guarantor name]

Dated: [●]

Dear Sirs

€425,000,000 Facility Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This deed (the **Accession Deed**) shall take effect as an Accession Deed for the purposes of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Accession Deed unless given a different meaning in this Accession Deed.
 - 2 With effect on the date of this Accession Deed, [●] (the **NewCo**) agrees to become an Additional Guarantor and to be bound by the terms of the Facility Agreement and the other Finance Documents as an Additional Guarantor pursuant to clause 36.5 (*Additional Guarantors*) of the Facility Agreement. [●] is a [company duly incorporated] under the laws of [name of relevant jurisdiction] with registered number [●].
 - 3 With effect on the date of this Accession Deed, the NewCo shall be, and is hereby made, an additional party to the Facility Agreement, as joint and several guarantor with the Guarantors as at the date of the Facility Agreement (the **Original Guarantors**) and any other Additional Guarantor previously made a guarantor under the Facility Agreement (a **Previously Acquired Additional Guarantor**), and the Facility Agreement shall henceforth be construed and treated in all respects as if references therein to "Guarantors" included references to the NewCo in addition to the Original Guarantors and any Previously Acquired Additional Guarantor.
 - 4 The NewCo hereby agrees with the Finance Parties, the Original Guarantors, any Previously Acquired Additional Guarantor [and the Parent] that, as and with effect from the date of this Accession Deed, it shall, jointly and severally with the Original Guarantors and any Previously Acquired Guarantor:
 - (a) be bound by the terms of the Facility Agreement as if the NewCo had all times been named therein as Guarantor;
 - (b) duly and punctually perform all the liabilities and obligations whatsoever from time to time to be performed or discharged by the Original Guarantors and any Previously Acquired Additional Guarantor under the Facility Agreement (and for which the Original Guarantors, any Previously Acquired Additional Guarantor and NewCo hereby agree to be jointly and severally liable); and
 - (c) without prejudice to the generality of paragraphs (a) and (b) above, be [indebted for][a guarantor under the Guarantee in respect of] the full amount of the Loan, interest thereon and all other sums which may be or become due to the Finance Parties pursuant to the Facility Agreement.
 - 5 The Parent confirms that no Default is continuing or would occur as a result of NewCo becoming an Additional Guarantor.
 - 6 NewCo's administrative details for the purposes of the Facility Agreement are as follows:

Address: [●]
-

Attention: [●]

7 This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS ACCESSION DEED has been signed on behalf of the Agent, signed on behalf of the Security Agent, executed as a deed by the Parent and executed as a deed by [Additional Guarantor] and is delivered on the date stated above.

EXECUTED as a DEED)
by)
for and on behalf of)
[●]) Attorney-in-fact
as NewCo and Additional Guarantor)
in the presence of:)

.....
Witness
Name:
Address:
Occupation:

EXECUTED as a DEED)
by)
for and on behalf of)
CADELER A/S) Attorney-in-fact
as Parent)
in the presence of:)

.....
Witness
Name:
Address:
Occupation:

THE AGENT

[DNB BANK ASA]

By:

THE SECURITY AGENT

[DNB BANK ASA]

By:

Schedule 9
Form of Transfer Certificate

To: **DNB BANK ASA** as
Agent

From: **[The Existing Lender]**, a company incorporated in **[insert jurisdiction of incorporation]** (the Existing Lender), and **[The New Lender]**, a company incorporated in **[insert jurisdiction of incorporation]** (the New Lender)

Dated:

€425,000,000 Facility Agreement dated [•] (the Facility Agreement)

- 8 We refer to the Facility Agreement. This agreement (the **Agreement**) shall take effect as a Transfer Certificate for the purposes of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
- 9 We refer to clause 35.8 (*Procedure for assignment*) of the Facility Agreement:
- (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facility Agreement and the other Finance Documents which correspond to that portion of the Existing Lender's Commitment and participations in the Advances under the Facility Agreement as specified in the Schedule.
 - (b) The Existing Lender is released from the obligations owed by it which correspond to that portion of the Existing Lender's Commitment and participations in the Advances under the Facility Agreement specified in the Schedule (but the obligations owed by the Obligors under the Finance Documents shall not be released).
 - (c) On the Transfer Date the New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
 - (d) The proposed Transfer Date is [•].
 - (e) The Facility Office and address, email address and attention details for notices of the New Lender for the purposes of clause 47.2 (*Addresses*) of the Facility Agreement are set out in the Schedule.
- 10 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in clause 35.7 (*Limitation of responsibility of Existing Lenders*) of the Facility Agreement.
- 11 This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with clause 35.9 (*Copy of Transfer Certificate to Borrowers*) of the Facility Agreement, to the Borrowers (on behalf of each Obligor) of the assignment referred to in this Agreement.
- 12 This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
- 13 This Agreement and any non-contractual obligations connected with it are governed by English law.
- 14 This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Transfer Certificate may not assign a proportionate share of the Existing Lender's interest in any Sinusure Insurance Policy or in the Security Documents in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents

or other formalities are required to perfect an assignment of such a share in the Existing Lender's interest in any Sinosure Insurance Policies or the Security Documents in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

The Schedule

Rights to be assigned and obligations to be released and undertaken

[insert relevant details]

[Facility Office address, email address and attention details for notices and account details for payments.]

[Existing Lender] [New Lender]

By: By:

This Agreement is accepted by the Agent as a Transfer Certificate for the purposes of the Facility Agreement and the Transfer Date is confirmed as [].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[DNB BANK ASA] as Agent

By:

Schedule 10
Form of Compliance Certificate

To: **DNB Bank ASA** as Agent

From: **Caedeler A/S**, a company incorporated in Denmark, as
Parent

Dated: [●]

Dear Sirs

€425,000,000 Facility Agreement dated [●] (the Facility Agreement)

1 Financial Covenants

I/We confirm that as at the Measurement Period ended on [30 June] [31 December] [●]:

- (a) **Equity Ratio:** the Equity Ratio is [●]:1.0, calculated as shown in Appendix A and compared against a minimum ratio which is 0.35:1.0.
- (b) **Liquidity:** the Parent (on a consolidated basis) maintains Cash and Cash Equivalents of €[●], calculated as shown in Appendix B and compared against a minimum required amount of €[●].
- (c) **Working Capital:** the Working Capital was higher than zero (0), being €[●], calculated as shown in Appendix C.

2 Security Requirement

We confirm that the Security Value is €[●] calculated as shown in Appendix D, compared against a Minimum Value of €[●], calculated as shown in Appendix E.

3 Distributions

For the purposes of clause 31.13 (*Distributions and other payments by Group*), the ratio of (a) Net Interest Bearing Debt to (b) EBITDA, was [not] lower than 2.75:1.00.

4 Default

[I/We confirm that no Default has occurred and is continuing.] [If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.]

Signed by:

.....
Chief Financial Officer
CADELER A/S

Schedule 11
Form of Green Loan Compliance Certificate

To: [DNB Bank ASA as Agent]
From: Wind N1063 Limited
and
Wind N1064 Limited
Dated: [●]

Dear Sirs

€425,000,000 Facility Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a Green Loan Compliance Certificate. Terms defined in the Facility Agreement have the same meaning when used in this Green Loan Compliance Certificate unless given a different meaning in this Green Loan Compliance Certificate.
- 2 This Green Loan Compliance Certificate is delivered with respect to the financial year ending [] (the **Relevant Financial Year**).
- 3 We confirm that [*Insert details re compliance with the Green Asset Criteria*]
- 4 As shown above, the Green Asset Criteria were [not] complied with.
Accordingly:
 - (a) [the applicable Green Loan Margin Adjustment is a [decrease] to the Margin of [] per cent. per annum]/[there is no Green Loan Margin Adjustment];
 - (b) the Margin applicable to the Facility following the Green Loan Margin Adjustment is:
[●]
[Set out relevant calculations in reasonable detail]
- 5 We confirm that the Green Loan Report relating to the Relevant Financial Year and attached hereto is a correct and complete copy of the original and has not been amended or superseded as at the date of this Green Loan Compliance Certificate.

Signed

.....

Director

Wind N1063 Limited

.....

Director

Wind N1064 Limited

Schedule 12
Forms of Notifiable Debt Purchase Transaction Notice

Part 1
Form of Notice on Entering into Notifiable Debt Purchase Transaction

To: **DNB Bank ASA as Agent**

From: [The Lender]

Dated:

\$425,000,000 Facility Agreement dated [●] 2023 (the "Agreement")

- 1 We refer to clause 36.3(b) (*Disenfranchisement of Debt Purchase Transactions entered into by Parent Affiliates*) of the Agreement. Terms defined in the Agreement have the same meaning in this notice unless given a different meaning in this notice.
- 2 We have entered into a Notifiable Debt Purchase Transaction.
- 3 The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment

Amount of our Commitment to which Notifiable Debt Purchase Transaction relates

[●]

[insert amount (of Commitment) to which the relevant Debt Purchase Transaction applies]

[Lender]

By:

Part 2

Form of Notice on Termination of Notifiable Debt Purchase Transaction / Notifiable Debt Purchase Transaction ceasing to be with Parent Affiliate

To: DNB Bank ASA as Agent

From: [The Lender]

Dated:

\$425,000,000 Facility Agreement dated [●] 2023 (the "Agreement")

- 1 We refer to clause 36.2 (*Prohibition on Debt Purchase Transactions by the Group*) of the Agreement. Terms defined in the Agreement have the same meaning in this notice unless given a different meaning in this notice.
- 2 A Notifiable Debt Purchase Transaction which we entered into and which we notified you of in a notice dated [●] has [terminated]/[ceased to be with a Parent Affiliate].
- 3 The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment

Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Base Currency)

[●]

[insert amount (of Commitment) to which the relevant Debt Purchase Transaction applies]

[Lender]

By:

SIGNATURES

THE BORROWERS AND THE HEDGING GUARANTORS

WIND N1063 LIMITED

By: Peter Brogaard Hansen

/s/ Peter Brogaard Hansen

Attorney-in-fact

WIND N1064 LIMITED

By: Peter Brogaard Hansen

/s/ Peter Brogaard Hansen

Attorney-in-fact

THE PARENT

CADELER A/S

By: /s/ Peter Brogaard Hansen

Peter Brogaard Hansen

THE ARRANGERS

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

BANCO SANTANDER, S.A.

By: /s/ Romina Ventura
Romina Ventura
Executive Director

By: /s/ Jose Luis Vincent
Jose Luis Vincent
Executive Director

COÖPERATIEVE RABOBANK U.A.

By: /s/ [Illegible]

/s/ G.C. Haanschoten
G.C. Haanschoten
Managing Director
Proxy AB

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

CRÉDIT INDUSTRIEL ET COMMERCIAL SINGAPORE BRANCH

By: /s/ Lee Chow Wee
Lee Chow Wee
Head of Shipping Finance
Asia Pacific

By: /s/ Benoit Messenger
Benoit Messenger
Head of Group Clients

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

By: /s/ LIM Jit Min
LIM Jit Min
Managing Director
Head of Large Local Corporates
Global Banking
The Hongkong & Shanghai Banking Corporation Limited, Singapore

KFW IPEX-BANK GMBH

By: /s/ Nicholas Papadopoulos
Nicholas Papadopoulos
Attorney-in-fact

OVERSEA-CHINESE BANKING CORPORATION LIMITED

By: /s/ Angeline Teo
Angeline Teo
OCBC Bank

SOCIETE GENERALE

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

SPAREBANK 1 SR-BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

STANDARD CHARTERED BANK (SINGAPORE) LIMITED

By: /s/ Amy Chow
Amy Chow
Managing Director
Shipping Finance

THE AGENT

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

THE SECURITY AGENT

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

THE SINOSURE AGENT

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

THE BOOKRUNNER AND CO-ORDINATOR

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

THE LENDERS

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

BANCO SANTANDER, S.A.

By: /s/ Romina Ventura
Romina Ventura
Executive Director

By: /s/ Jose Luis Vincent
Jose Luis Vincent
Executive Director

COÖPERATIEVE RABOBANK U.A.

By: /s/ [Illegible]

/s/ G.C. Haanschoten
G.C. Haanschoten
Managing Director
Proxy AB

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

CRÉDIT INDUSTRIEL ET COMMERCIAL SINGAPORE BRANCH

By: /s/ Lee Chow Wee
Lee Chow Wee
Head of Shipping Finance
Asia Pacific

By: /s/ Benoit Messenger
Benoit Messenger
Head of Group Clients

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

By: /s/ LIM Jit Min
LIM Jit Min
Managing Director
Head of Large Local Corporates
Global Banking
The Hongkong & Shanghai Banking Corporation Limited, Singapore

KFW IPEX-BANK GMBH

By: /s/ Nicholas Papadopoulos
Nicholas Papadopoulos,
Attorney-in-fact

OVERSEA-CHINESE BANKING CORPORATION LIMITED

By: /s/ Angeline Teo
Angeline Teo
OCBC Bank

SOCIETE GENERALE

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

SPAREBANK 1 SR-BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr,
Attorney-in-fact

STANDARD CHARTERED BANK (SINGAPORE) LIMITED

By: /s/ Amy Chow
Amy Chow
Managing Director
Shipping Finance

THE HEDGING PROVIDERS

DNB BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr
Attorney-in-fact

BANCO SANTANDER, S.A.

By: /s/ Romina Ventura
Romina Ventura
Executive Director

By: /s/ Jose Luis Vincent
Jose Luis Vincent
Executive Director

COÖPERATIEVE RABOBANK U.A.

By: /s/ [Illegible]

/s/ G.C. Haanschoten
G.C. Haanschoten
Managing Director
Proxy AB

CRÉDIT INDUSTRIEL ET COMMERCIAL SINGAPORE BRANCH

By: /s/ Lee Chow Wee
Lee Chow Wee
Head of Shipping Finance,
Asia Pacific

By: /s/ Benoit Messenger
Benoit Messenger
Head of Group Clients

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

By:

KFW IPEX-BANK GMBH

By: /s/ Nicholas Papadopoulos
Nicholas Papadopoulos
Attorney-in-fact

OVERSEA-CHINESE BANKING CORPORATION LIMITED

By: /s/ Angeline Teo
Angeline Teo
OCBC Bank

SOCIETE GENERALE

By: /s/ Jennifer Carr
Jennifer Carr,
Attorney-in-fact

SPAREBANK 1 SR-BANK ASA

By: /s/ Jennifer Carr
Jennifer Carr,
Attorney-in-fact

STANDARD CHARTERED BANK (SINGAPORE) LIMITED

By: /s/ Amy Chow
Amy Chow
Managing Director
Shipping Finance

LIST OF SUBSIDIARIES OF CADELER A/S

Name of Subsidiary	Jurisdiction of Incorporation
Seajacks 1 Limited	United Kingdom
Seajacks 3 Limited	Japan
Seajacks 4 Limited	United Kingdom
Seajacks 5 Limited	United Kingdom
Seajacks International Limited	United Kingdom
Seajacks Japan LLC	Japan
Wind MI Limited	Marshall Islands
Wind N1063 Ltd.	Cyprus
Wind N1064 Ltd.	Cyprus
Wind Orca Ltd.	Cyprus
Wind Osprey Ltd.	Cyprus

CERTIFICATION ON THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES IN FORM 20-F FOR 2023

I, Mikkel Gleerup, certify that:

1. I have reviewed this annual report on Form 20-F of Cadeler A/S;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Paragraph omitted in accordance with Exchange Act Rule 13a-14(a);
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 26, 2024

By: /s/ Mikkel Gleerup
Name: Mikkel Gleerup
Title: Chief Executive Officer

CERTIFICATION ON THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES IN FORM 20-F FOR 2023

I, Peter Brogaard Hansen, certify that:

1. I have reviewed this annual report on Form 20-F of Cadeler A/S;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Paragraph omitted in accordance with Exchange Act Rule 13a-14(a);
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 26, 2024

By: /s/ Peter Brogaard Hansen

Name: Peter Brogaard Hansen
Title: Chief Financial Officer

CERTIFICATION OF MIKKEL GLEERUP, CHIEF EXECUTIVE OFFICER OF CADELER A/S, AND PETER BROGAARD HANSEN, CHIEF FINANCIAL OFFICER OF CADELER A/S, PURSUANT TO SECTION 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Cadeler A/S (the "Company") on Form 20-F for the period ending December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify that to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2024

By: /s/ Mikkel Gleerup
Name: Mikkel Gleerup
Title: Chief Executive Officer

By: /s/ Peter Brogaard Hansen
Name: Peter Brogaard Hansen
Title: Chief Financial Officer

Annual Report 2023

For the year end 31 December 2023



Cadeler A/S, incorporated in Denmark. Registration Number (CVR no.): 3118 0503
Kalvebod Brygge 43, DK-1560 Copenhagen V, Denmark



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Statement from the Chairman and the CEO

As 2023 came to a close, Cadeler secured its place as a global leader in the offshore wind farm transportation and installation industry.

Cadeler charted a remarkable course in 2023, showing solid results alongside a strategic scale-up in fleet size, investment in talent, and achievement of a record-breaking backlog of orders. Cadeler is now a global leader in offshore wind farm transportation and installation – ready to achieve its full international potential and to harness the power of wind.

The story of the past year has been one of sustained growth for Cadeler – both organically and through the merger with Eneti. This strategic combination, completed in December 2023, made us the world's leading offshore wind turbine transport and installation company, with a market capitalisation of approximately EUR 1.3 billion, and a dual listing on the Oslo Stock Exchange and New York Stock Exchange.

During the year, short-term sentiment around offshore wind turned negative as a result of headlines on some project cancellations, rising interest rates, high inflation and supply chain bottlenecks. However, the market fundamentals remain strong, and Cadeler enjoyed a record year of bookings. Our orderbook now stands at close to EUR 1.7 billion, with a very high percentage of this already at final investment decision stage.

Globally, the market will continue to grow at a rapid pace. Offshore wind is a vital element in the energy transition, and continued geopolitical uncertainty will keep energy security at the top of the international agenda. Cadeler is well positioned for this, due to tight supply of capable offshore wind turbine and foundation installation vessels. Our strategy to serve this expanding sector is to further develop the largest, most diverse and flexible fleet, able to handle complex next-generation offshore projects anywhere in the world.

A strong combination of talents

After careful consideration of potential partners, Eneti was identified as an ideal strategic fit for Cadeler. Our traditional strength in the European market is complemented by Eneti's focus on Asia and the United States, creating a combination with full global coverage in the installation of next-generation turbines.

We are now ready to strategically expand our markets outside Europe, while seeking full utilisation of our vessels. Increased scale and diversification mean that Cadeler will also be able to provide customers with a greater degree of redundancy – lessening the risk of projects falling behind schedule. When bottlenecks occur in the value chain, we can offer a unique flexibility to our clients to address any issues that may arise over the course of the project.

We believe the combination with Eneti will deliver around EUR 100 million in annual synergies. This figure comprises corporate and financing savings, such as reduced corporate and management costs, an optimised hiring plan and improved financing terms – and operational synergies, such as cross-utilisation of equipment and better procurement efficiency. It also includes utilisation synergies, which will deliver more vessel availability for our clients.

Empowering the green transition

Cadeler's commitment to sustainability remains undiminished. In 2023 we have started to explore the uptake of certified biofuels and renewable diesel in our current O-class vessels. These represent a readily available way to reduce emissions from engine combustion, replacing fossil fuels and providing our customers with a short-term alternative.

We were also able to sell the disassembled cranes from our O-class vessels to Hapo International Barges, granting them a useful second life.

Another major focus is on building a fleet of vessels capable of running on alternative fuels in the future. During 2023, significant resources were allocated to ensuring our six newbuild vessels will be ready for eventual conversion to run on alternative fuels. Green methanol has been identified as the option available soonest. However, several fuel pathways have been explored, and we will continue investigating the alternatives during 2024.

Furthermore, understanding how energy is consumed on board the vessels is a key driver for Cadeler in improving energy efficiency. During 2023, we continued expanding on our fuel monitoring systems, enabling sufficient real-time data to be utilised to drive improvement actions. In addition, a heavy focus has been put on delivering newbuild assets with a significantly higher level of efficiencies in their design. All these initiatives will form the foundation of a future low-carbon fleet for Cadeler.

To help us collaborate and meet the industry's climate goals, Cadeler joined the EMRED joint industry project led by DNV. This project aims to establish a standardised monitoring and reporting framework for assessing greenhouse gas (GHG) emissions in the offshore wind installation sector, driving emission reductions across the industry. Towards the end of 2023, Cadeler also began its involvement in a project led by Danish Shipping and ReFlow, focused on the development of a digital tool to assess the lifecycle emissions of vessels.

Finally, we have established a dedicated Decarbonisation and Sustainability department. Sponsored by executive management, it will take responsibility for designing the strategy and roadmap for decarbonisation, along with execution and implementation. This

strategic decision stemmed from the company's acknowledgement of the importance and complexity of meeting challenges within these areas.

We continue to work towards our long-standing goals of reducing emissions, optimising energy consumption and adopting greener fuels.

Embracing change: new people, new fleet

When Cadeler rang the bell at the New York Stock Exchange on December 21 last year, marking its listing as a single entity encompassing Eneti, it also welcomed a wealth of new talent on board. The company now employs around 400 seafarers and 230 people onshore. We can proudly say that we offer our business partners access to a talented global team, with continuous improvement in terms of safety, quality and efficiency within offshore wind farm transport and installation services.

Whether at the Cadeler headquarters in Copenhagen or at our offices in Vejle in Denmark, Taipei, Tokyo, Great Yarmouth in the UK or Virginia Beach in the USA, the daily nurturing and development of our unique Cadeler culture is vital to help unlock industry potential – and to accelerate the transition to renewable energy. We will continue to refine our uncompromising "partners first" mentality, where our clients' success is our guiding star.

The Cadeler fleet now numbers four units. The former Eneti vessels Wind Scylla and Wind Zaratan now take their place alongside our existing O-class vessels, Wind Orca and Wind Osprey. Both of the latter units are being upgraded with new state-of-the-art main cranes, with finalisation of installation and commissioning in the early part of 2024.



Six newbuild jack-up vessels are on order. Across multiple sites in China, COSCO SHIP-
PING Heavy Industry is constructing the two P-class and A-class vessels (previously
known as X-class and F-class). The first is set for delivery in Q3 2024, with the others ar-
riving throughout 2025. A large team from Cadeler has been supervising the builds, help-
ing to ensure quality and safety. An important milestone was recently passed when the
projects reached three million person-hours without a lost-time incident (LTI).

The two newbuilds ordered by Eneti prior to the merger will add further capability to the
fleet. Provisionally named Wind Maker and Wind Mover, these NG16000X jack-up vessels
are under construction at Hanwha Ocean in Korea. Their specification includes high-ca-
pacity 2,600t cranes, DP2 capability for fast transit between locations, and the ability to
operate in water depths of up to 65 metres.

Seeking out worldwide potential

On the commercial front, highlights of the past year include signing two major contracts
with Ørsted for the Hornsea 3 offshore wind farm, with a total value of EUR 500-700 mil-
lion. The combined contracts represent the biggest deal in Cadeler's history, and our first
full-service transport and installation contract for foundations. In February 2024, we
signed a further transport and installation contract with Ørsted and Polska Grupa Ener-
getyczna for the Baltica 2 offshore wind farm in the Baltic Sea.

The coming years will see us extend Cadeler's geographical reach. While our cautious
approach to the United States proved to be correct so far, we now hold a more optimis-
tic view, and will be involved in the American market this year.

We have also identified Asia as a region of interest – especially Taiwan and Korea, which
have fast-expanding markets. Our strategy is to move vessels into Asia when there is a

real pipeline of work there, rather than doing so on a project-by-project basis. As a global
company, we are also continuously looking into other markets, such as South America.

A course set for global leadership

Looking back on 2023, Cadeler embarked on an extraordinary journey – a course set for
global leadership in offshore wind farm transportation and installation. Our ambitions
were realised by solid results, a decisive and strategic fleet expansion, continuing invest-
ment in talent, and our uncompromising focus on our partners' success. Cadeler stands
ready to harness its full global potential and contribute to the future of renewable off-
shore wind energy.

Andreas Sohmen-Pao,
Chairman of the board

Mikkel Glerup,
CEO

The Year 2023 in Brief

<h3>April</h3> <p>Signed two contracts with Ørsted for Hornsea 3</p>	<h3>September</h3> <p>Wind Orca commenced crane upgrade</p>	<h3>December</h3> <p>Announced signing of EUR 550M Senior Secured Green Loan Facilities</p> <p>Merger completed between Cadeler and Eneti</p> <p>Cadeler listed on New York Stock Exchange</p> <p>Announced signing of a Sinosure-backed Senior Secured Green Term Loan Facility of up to EUR 425M</p>
<h3>June</h3> <p>Cadeler A/S and Eneti Inc. announced business combination agreement</p>	<h3>October</h3> <p>Wind Osprey commenced crane upgrade</p>	
	<h3>November</h3> <p>Names for newbuilds revealed: Wind Peak, Wind Pace, Wind Ally, and Wind Ace</p> <p>Announced signing an unsecured green loan of EUR 50M with a non-committed accordion option of up to EUR 50M</p>	



Management Review

Business Review

Cadeler A/S ("Cadeler" or the "Company" and, together with its subsidiaries, the "Cadeler Group" or the "Group") is a key supplier to the offshore wind industry for installation services and operation and maintenance works. It provides marine and engineering operations with a strong focus on safety and the environment. Headquartered in Copenhagen, Denmark, Cadeler provides high-quality offshore wind support services to customers located in Europe and Asia. The Company has offices in Vejle (Denmark), Great Yarmouth (United Kingdom), Taipei (Taiwan), Tokyo (Japan) and Virginia (United States).

The Company's shares are listed on the Oslo Stock Exchange (symbol: CADLR). Cadeler's American Depository Shares (ADS) are listed on the New York Stock Exchange (symbol: CDLR) and each Cadeler ADS represents four (4) ordinary shares of Cadeler. In December 2023, Cadeler and Eneti Inc. ("Eneti") merged, forming a leading company in the global offshore wind industry. Cadeler is primarily focused on the transport and installation of a new generation of wind turbines and foundations as part of increasingly complex offshore wind projects.

Cadeler has achieved several industry records so far including the fastest installation, deepest soil penetration, and the installation of the largest offshore turbine. The Company has completed a total of 1,324 wind turbine generators ("WTGs") since 2014, and 853 wind turbine foundations since 2013, generating around 11.5 GW of energy. Cadeler's services also cover project management, operations and maintenance as well as de-commissioning for the offshore renewable industry. The Company has been successful in establishing a leading market position thanks to its pure-play fleet with high-quality equipment, experienced crew, and a solid reputation for the highest standards of safety, efficiency and precision.

Cadeler also serves in a technical construction advisory role to Dominion Energy, on the first wind turbine installation vessel (WTIV) being constructed in the United States under the U.S. Jones Act.

Cadeler's order book for 2024 is substantially filled. As of 26 March 2024, notable changes in the backlog since the second half of 2023:

- The Company received notice of termination for the Aflandshage offshore wind project in Øresund, Denmark. The agreement with Siemens Gamesa for Aflandshage had been announced on 17 April involving the transportation and installation of 26 Siemens Gamesa 11MW wind turbines. The cancellation of the project has no impact on Cadeler's long-term financial performance and had a positive effect of EUR 5 million on the financial year 2023.
- On 20 February 2024, Cadeler signed a contract with Ørsted and PGE Polska Grupa Energetyczna for the transport and installation of 14MW wind turbines supplied by Siemens Gamesa. Baltica 2 is one of two stages of the Baltica Offshore Wind Farm. PGE and Ørsted plan to deliver Baltica 2 with 1.5 GW capacity by the end of 2027. The contract underlines Cadeler's entry into the Polish market.

EUR million	2023 as of 26 March 2024	2022 as of 28 March 2023 ²	2021 as of 29 March 2022 ²
Contract backlog as of the report released date¹			
Within one year	196	84	110
After one year	1,385	696	299
Total	1,581	780	409

¹ Contract backlog (excluding bunker) date is split between, EUR 1,386 million firm and EUR 195 million options.

² Contract backlog (excluding bunker) for 2022 was split between, EUR 653 million firm and EUR 127 million options and for 2021, EUR 351 million firm and EUR 58 million options.

Business Review

Continued from previous page

The merger

On 19 December 2023, the acquisition date, Cadeler completed the settlement of the share exchange offer for all of the outstanding shares of the common stock of Eneti Inc. The 86.39% acceptance rate satisfied the minimum rate set out in the business combination agreement between Cadeler and Eneti dated 16 June 2023. In connection with the exchange offer, Cadeler issued 113.8 million shares, corresponding to 28.4 million Cadeler American Depositary Shares.

On 29 December 2023, Cadeler, through its wholly-owned subsidiary, Wind MI Limited, completed the merger with Eneti. The purpose of the merger was for Cadeler to acquire the remaining shares of Eneti common stock not acquired in the exchange offer. The total aggregate amount of cash consideration paid in the squeeze-out merger to Eneti common stockholders amounted to USD 59.8 million, USD 11.37 per share of Eneti common stock.

The combined business is positioned to provide customers with access to a wider and more contemporary fleet of next-generation offshore windfarm installation vessels. This will facilitate the targeting of larger and more complex projects to address the escalating global demand for a sustainable energy transition. Furthermore, the merger is expected to unlock substantial value through enhanced resource cross-utilisation, improved flexibility, and heightened investor interest.

A diverse and modern fleet

Cadeler will have the world's largest, most advanced, and most flexible fleet of wind turbine transport and installation vessels. Currently, the Company operates four state-of-the-art vessels: the recently upgraded O-Class vessels, Wind Orca and Wind Osprey, alongside the vessel Wind Zaratan and the vessel Wind Scylla.

Cadeler is expanding its fleet with six newbuilds scheduled for completion by 2026. These comprise two P-Class, named Wind Peak and Wind Pace, and two A-Class

vessels, named Wind Ally and Wind Ace, formerly referred to as X-Class and F-Class vessels respectively, along with two M-Class vessels, named Wind Maker and Wind Mover, previously known as the Eneti newbuild programme.

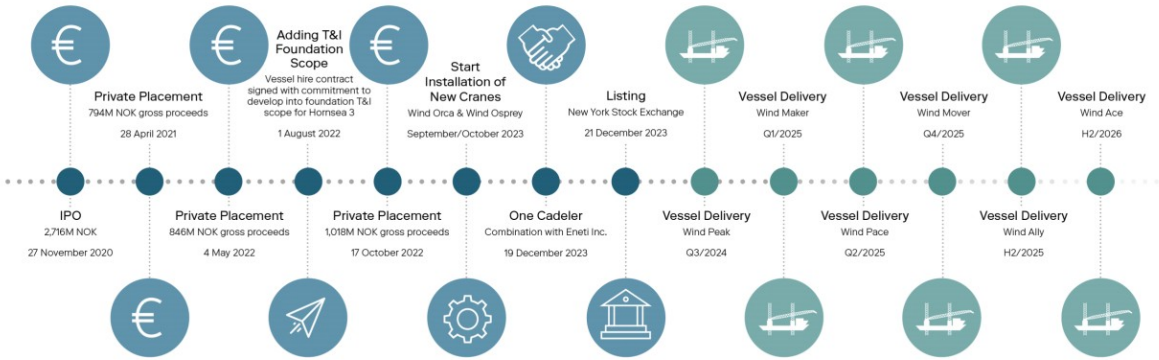
Cadeler recognises the strong underlying demand for offshore wind installation services and acknowledges the potential for limited vessel availability. With its vessels optimised for transportation and installation of offshore wind foundations and wind turbine generators ("WTGs"), Cadeler expects continued strong utilisation of its fleet.

Expanding the Company's jack-up fleet is a key strategic priority to address the increasing demand for installation capacity. Through new vessel orders, Cadeler aims to push the boundaries of the offshore industry, offering efficient solutions for stakeholders tackling increasingly complex projects.

The construction of the two P-Class vessels and the two A-Class vessels was awarded to COSCO SHIPPING Heavy Industry ("COSCO"), a Chinese shipyard, while the construction of the two M-Class vessels has been awarded to Hanwha Ocean Co., Ltd. ("Hanwha", formerly Daewoo Shipbuilding & Marine Engineering Co. Ltd) in Korea. The total orders for the six vessels, worth EUR 425 million plus USD 1.5 billion, are a significant advancement in future proofing Cadeler's operations and facilitating the global transition to renewable energy. Further financing will be required from 2025 in connection with milestone payments for the new A-Class newbuilds. Refer to Note 24 in the Notes to Consolidated Financial Statements section for more details on liquidity and capital management.

As of 26 March 2024, Wind Orca and Wind Osprey are in the final stages of completing the upgrade of their main cranes. The NOV Inc. ("NOV") cranes are designed to satisfy market demands for best-in-class WTG installation vessels. As of 31 December 2023, the total contract value with NOV was EUR 83.4 million of which EUR 50 million was paid.

Cadeler Milestones



←

- Established in 2008 as Swire Blue Ocean
- 2010 - 2020 as a subsidiary company of Swire Pacific Offshore
- Operated the two O-class vessels delivered in 2012

Financial Highlights

Key Figures	2023	2022	2021	2020 ¹	2019 ²
	IFRS	IFRS	IFRS	IFRS	IFRS
EUR'000					
Revenue ³	108,622	106,424	60,938	19,501	38,382
Gross profit / (loss)	48,764	56,887	22,059	(26,258)	(6,249)
Operating profit/(loss) (EBIT)	14,443	41,191	11,134	(35,914)	(13,645)
Net financials	(2,945)	(5,650)	(3,696)	8,881	(8,538)
Profit/(loss) for the period	11,498	35,541	7,451	(27,032)	(23,763)
Total assets	1,252,560	670,030	424,766	336,811	111,169
Non-current asset	1,105,110	610,524	400,148	253,270	93,153
Total liabilities	293,519	129,462	99,510	95,739	124,269
Equity	959,041	540,568	325,256	241,063	(13,100)
Cash flow from operating activities	63,383	29,036	30,200	(9,597)	(2,012)
Cash flow from investing activities	(54,727)	(225,408)	(163,375)	(256,138)	(64)
<i>Of which investment in property, plant and equipment</i>	<i>(66,899)</i>	<i>(224,606)</i>	<i>(162,941)</i>	<i>(256,138)</i>	<i>(64)</i>
Cash flow from financing activities	70,268	213,075	71,847	328,118	2,922
Cash and cash equivalents	96,608	19,012	2,308	63,636	1,243

¹ Up until 25 September 2020, the consolidated figures only included numbers for the Parent Company, Cadeler A/S.

As of 25 September 2020, the two subsidiaries, Wind Osprey Ltd and Wind Orca Ltd, were established. From this point in time, the consolidated figures comprised Cadeler A/S, Wind Osprey and Wind Orca.

² Figures for the years 2019 only include numbers for the Parent Company, Cadeler A/S.

³ Consolidated revenue as of 31 December 2023 include EUR 3.4 million for 12 days from business combination with Eneti.

Financial Highlights

Continued from previous page

Key Figures	2023	2022	2021	2020 ¹	2019 ²
Financial ratios					
Return on assets (%)	1.6%	7.6%	3.0%	-16.1%	-11.1%
Return on equity (%)	1.6%	8.3%	2.7%	-23.8%	-181.4%
Equity ratio (%)	76.6%	80.7%	76.6%	71.6%	-11.8%
Contracted days (no. of days)	568	635	562	470	383
Utilisation (%)	75.4%	86.9%	76.9%	64.4%	52.5%
Share related key figures					
Earnings per share (EPS), EUR	0.06	0.22	0.06	(1.04)	(30.50)
Diluted earnings per share (diluted EPS), EUR	0.06	0.22	0.06	(1.04)	(30.50)
Average number of employees					
Onshore	113	70	58	42	33
Offshore ³	182	162	12		

¹ Up until 25 September 2020, the consolidated figures only included numbers for the Parent Company, Cadeler A/S. As of 26 September 2020, the two subsidiaries, Wind Osprey Ltd and Wind Orca Ltd, were established. From this point in time, the consolidated figures comprised Cadeler A/S, Wind Osprey and Wind Orca.

² Figures for the years 2019 only include numbers for the Parent Company, Cadeler A/S.

³ Offshore crew was hired directly by the Company by the end of November 2021. Average number of full-time employees in 2021 reflect the number of seafarers divided by 12 months. The Company had 148 seafarers by the end of 2021.

Finance Review

Capital structure and funding

Equity

On 31 December 2023, equity amounted to EUR 959 million (EUR 541 million in 2022 and EUR 325 million in 2021), as a result of profit for the year of EUR 11 million (EUR 36 million in 2022 and EUR 7 million in 2021), EUR 30 million loss value adjustment of hedges (EUR 1.3 million gain in 2022) and net capital increase of EUR 459 million (EUR 178 million in 2022 and EUR 77 million in 2021).

In 2022, the Company conducted two successful private placements. The first, which took place in May, saw the issuance of 26.2 million shares at a price of NOK 32.32 per share, while the second in October placed 32.9 million shares at a price of NOK 31.00 per share. Overall, the Company raised approximately EUR 183 million before transaction costs. As of 31 December 2022, the Company had 197.6 million shares in issue, compared to 138.6 million shares at the beginning of the reporting period.

The Fleet

As of 31 December 2023, the Cadeler Group's fleet consists of four operating vessels, Wind Orca, Wind Osprey, Wind Scylla and Wind Zaratan. In addition, the Cadeler Group has orders for two P-Class, two A-Class and two M-Class vessels, the Cadeler newbuild programme.

The Operating Vessels

The Cadeler Group's two operating O-Class vessels are considered by the Cadeler Group to be well suited for windfarm installation, maintenance and decommissioning. The operating O-Class vessels feature a six-leg design, which allows them to operate even on sites with challenging seabed conditions. Their cargo area and high-capacity deck loading offer considerable flexibility in the T&I of WTGs and foundations.

In December 2020, the Cadeler Group signed a contract to replace the main crane of Wind Orca and subsequently, in June 2021, the Cadeler Group executed an option to replace the main crane of Wind Osprey. The crane upgrades for the two operating O-Class vessels started in September 2023 and, as of 26 March 2024, are nearing completion. The total cost of upgrading the cranes on Wind Orca and Wind Osprey is expected to reach up to EUR 120 million, of which EUR 61 million had been paid as of 31 December 2023. The remaining payments are due in 2024.

On 19 December 2023, as a result of the business combination with Eneti, the Cadeler Group acquired two operating vessels, Wind Scylla and Wind Zaratan.

Sailing at speeds of 12 knots or over, Wind Scylla is outfitted with 105-metre-long legs that can install components in water depths of up to 65 metres. Wind Scylla makes Cadeler's fleet unparalleled in the offshore wind sector for the installation and maintenance of wind farms. Wind Scylla has a useable deck space in excess of 5,000 m² and is fitted with a 1,540 metric tons leg crane, making it ideal for deep water and large wind farm components.

After meeting stringent Japanese flag requirements, Wind Zaratan sails under the Japanese flag. The growing offshore wind market in Japan coupled with a lack of jack-up vessels operating under Japanese flag (a requirement for offshore wind contractors when working in Japanese territorial waters) places Wind Zaratan in a strong position for winning future contracts.

Finance Review

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Below is a detailed overview of the current specifications of the Cadeler Group's four operating vessels, Wind Orca, Wind Osprey, Wind Scylla and Wind Zaratán:

Name	Wind Zaratán	Wind Scylla	Wind Orca	Wind Osprey
Type	Turbine (WTIV)	Turbine (WTIV)	Turbine (WTIV)	Turbine (WTIV)
Class (Cadeler definition)	Z-Class	S-Class	O-Class	O-Class
Built / expected delivery (quarter / year)	2012	2015	2012 / Q1/2024 ¹	2012 / Q1/2024 ¹
Main crane capacity (tonnes)	800	1540	1600 ²	1600 ²
Hook Height (meters)	92	105	160	160
Turbine installation capacity (MW)	9.5	12-14	15-20	15-20

The newbuilds (currently under construction)

In June 2021, the Cadeler Group entered into contracts with COSCO regarding the building of two new WTG installation P-Class newbuild vessels. The two P-Class newbuilds are expected to be delivered in the third quarter of 2024 and the second quarter of 2025, respectively. On 7 September 2023, Cadeler incorporated two new subsidiaries, WIND

¹ Crane upgrades, expected to be completed early Q2/2024, will add capabilities to install next generation 20+MW turbines

² Post crane upgrade

N1064 Limited and WIND N1063 Limited, which are registered and domiciled in Cyprus for the purpose of acquiring the P-Class newbuilds.

The P-Class newbuilds are designed to operate at difficult sites and with what the Cadeler Group believes to be some of the most advanced equipment in the industry. The P-Class newbuilds will be able to transport and install seven complete 15 megawatt turbine sets per load or five 20+ megawatt turbines, thereby cutting down the number of trips needed for each project and thus accelerating the installation speed. The Cadeler Group currently expects that the P-Class newbuilds will have industry leading lifting height and payload capabilities. With the two P-Class newbuilds, the Cadeler Group believes it will be able to stay at the forefront of the industry. Moreover, the Cadeler Group has focused on the sustainability and CO2-footprint of the two P-Class newbuilds as part of the design phase to ensure a more sustainable operation of the new P-Class newbuilds.

The first of the two P-Class newbuilds has already been contracted for the Sofia Project for the transport and installation of 100 14 megawatt WTGs, while the second P-Class newbuild is expected to be first utilised for the East Anglia Three Project consisting of installation of 95 WTGs.

The total contract value for the construction of the P-Class newbuilds is approximately EUR 572 million, of which EUR 137 million and EUR 14 million was paid in 2021 and 2023 respectively. The remaining scheduled payments are due between 2024 and 2025. Of the total contract value, USD 390 million will be paid in USD and EUR 220 million will be paid in EUR. The first milestone payment for the P-Class newbuilds was financed in part by the proceeds of Cadeler's initial public offering in November 2020 and a private placement in April 2021. The remaining payments for the two P-Class newbuilds are expected to be financed through debt.

Finance Review

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Cadeler Group has also placed orders with COSCO for the construction of two A-Class newbuilds. In May 2022, the Cadeler Group signed a contract with COSCO regarding the building of one A-Class newbuild WTIV expected to be delivered in the fourth quarter of 2025. The contract included an option for one additional P-Class or A-Class vessel. The Cadeler Group has experienced strong employment prospects for the A-Class newbuild, which was evidenced by the Cadeler Group's contract with Ørsted A/S ("Ørsted") for foundation installation at Hornsea 3 offshore wind farm, which is set to utilise one A-Class newbuild. As a result, in November 2022, the Cadeler Group exercised the option to order one additional A-Class newbuild, which is expected to be delivered in the second half of 2026. This A-Class newbuild will upon delivery be the second purpose-built wind foundation installation vessel in the Cadeler Group's fleet. In connection with the exercise of the option, and entering into a definitive contract, the Cadeler Group has entered into a letter of intent regarding the construction of an additional A-Class newbuild vessel.

The A-Class newbuilds are based on the P-Class specifications and will be hybrid vessels for T&I of both foundations and WTGs. The A-Class newbuilds will be able to transport up to six XL monopile foundations per round trip and, if needed, may within a short period of time be converted from being a foundation installation vessel to a WTG installation vessel. The A-Class newbuilds will, as the P-Class newbuilds, be able to transport and install seven complete 15 megawatt turbine sets per load or five 20+ megawatt turbines, thereby cutting down the number of trips needed for each project and thus accelerating the installation speed. The Cadeler Group believes the large transport capacity will increase operational efficiency substantially.

The total value of the contracts for the A-Class newbuilds is approximately EUR 657 million. After down payments of an aggregate EUR 167 million in June 2022 and December 2022, financed through private placements completed in May and October 2022, respectively, the remaining amounts are due in 2025 and 2026. Of the total contract value, USD 495 million will be paid in USD and EUR 205 million will be paid in EUR. The remaining payments on the A-Class newbuilds are currently expected to be financed through secured senior debt and cash flow from the operations.

On 19 December 2023, as a result of the Business Combination with Eneti, the Cadeler Group added two M-Class vessels to its newbuild vessels, for the construction of which there are two contracts in place with Hanwha.

The M-Class newbuilds, Wind Maker (formerly known as "Nessie") and Wind Mover (formerly known as "Siren"), will operate with an impressive high capacity 2,600 metric tons main crane which will revolve around the starboard aft leg, allowing the safe installation and maintenance of heavy foundations and the components relating to offshore wind turbines. Both vessels have been designed to operate in water depths of up to 65 metres and at significant wave heights of 2 metres whilst the vessel itself will be above sea level installing and maintaining offshore structures.

Finance Review

Continued from previous page

This state-of-the-art, self-propelled jack-up vessel will be equipped with DP2 capability which will allow for fast, safe and cost-efficient transit and positioning between locations; this will not only transform operations but will also facilitate efficient installation and maintenance of offshore wind farms. The aggregate contract price is approximately USD 655 million, of which USD 131 million has been paid as at 31 December 2023. The vessels are expected to be delivered in the first and third quarters of 2025, respectively. Further instalments are expected to be paid in 2024 and 2025 for both vessels, which are expected to be financed through debt.

For more details on the remaining commitments for the newbuilds, see Note 23. Below is a detailed overview of the planned specifications of each of the newbuild vessels:

Name	Wind Maker	Wind Mover	Wind Peak	Wind Pace	Wind Ally	Wind Ace
Type	Turbine (WTIV)	Turbine (WTIV)	Turbine (WTIV)	Turbine (WTIV)	Foundation (WFIV)	Foundation (WFIV)
Class (Cadelex definition)	M-Class	M-Class	P-Class	P-Class	A-Class	A-Class
Built / expected delivery (quarter / year)	Q1 2025	Q4 2025	Q3 2024	Q2 2025	Q4 2025	H2 2026
Main crane capacity (tonnes)	2600	2600	>2,600	>2,600	>3,000	>3,000
Hook Height (meters)	174	174	>200	>200	>200	>200
Turbine installation capacity (MW)	20+	20+	20+	20+	20+	20+

Finance Review

Continued from previous page

Funding

On 29 June 2022, the Cadeler Group entered into a senior secured green revolving credit facility (the "Debt Facility"), which provided for a three-year revolving credit facility of up to EUR 185 million. The Debt Facility was entered into for the purpose of refinancing existing facility agreements, obtaining financing for general corporate purposes and working capital requirements.

On 16 June 2023, Cadeler amended its Debt Facility, increasing the guarantee facility to EUR 60 million and the committed revolving credit facility to EUR 250 million, resulting in a total Debt Facility of EUR 310 million. Additionally, an accordion option allows for a potential EUR 100 million increase by adding a term loan facility, subject to lender discretion and export credit agency guarantee.

On 7 December 2023, Cadeler secured a new senior secured credit and guarantee facility (the "New Debt Facility") of up to EUR 550 million with DNB Bank ASA, Rabobank, Credit Agricole, Danske Bank, OCBC, Standard Chartered Bank, and Société Générale. This facility includes various tranches: a revolving credit facility of EUR 250 million (5-year tenor), a revolving credit facility of EUR 100 million (18-month tenor), a term loan of EUR 100 million (8.5-year tenor) guaranteed by the Danish export and Investment Fund of Denmark (EIFO), and an uncommitted guarantee facility of EUR 100 million.

On 15 November 2023, Cadeler entered an unsecured term loan facility of EUR 50 million with HSBC, (the "Holdco Facility"), supporting wind installation activities and general corporate purposes. This facility includes an accordion option of up to EUR 50 million and contains change of control provisions.

On 22 December 2023, Cadeler and its subsidiaries secured a Sinosure-backed green term loan facility of up to EUR 425 million, (the "P-Class Facility"), to finance P-Class newbuilds. This facility includes various securities and change of control provisions.

In connection with the Business Combination, the Group acquired a senior secured green term loan facility, which Eneti entered into in November 2023, of up to USD 436 million (the "New Credit Facility") with a group of international banks and export credit agencies co-arranged and co-underwritten by Crédit Agricole Corporate and Investment Bank and Société Générale, and with Société Générale as Green Loan Coordinator. The New Credit Facility finances approximately 65% of the purchase cost of the M-Class newbuilds.

Additional financing of approximately EUR 450 million will be required from 2025 for A-Class newbuilds milestone payments. The Group entered into interest rate swap contracts with the Group's main bank and related these to the RCF and the future loans. The interest rate risk arising from the loans have been partially swapped from 3M EURIBOR to a fixed rate. The average fixed rate of the swaps is 2.8%.

Income statement

Revenue

In 2023, the Company saw a modest revenue growth of 2%, amounting to EUR 109 million. Despite a lower utilisation rate of 75% due to upgrades on Wind Orca and Wind Osprey in Q4 2023, the revenue growth is commendable. Additional revenue streams included EUR 3.4 million from the business combination with Eneti and a further EUR 5 million from the cancellation of the Aflandshage contract.

Costs

Cost of sales for 2023 rose by 20% to EUR 60 million, up from EUR 50 million the previous year. This increase was largely due to the impairment of the sold main crane for Wind Orca, costing EUR 5 million. Other contributing factors include an additional EUR 3.8 million from the business combination with Eneti.

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Administrative expenses saw a significant increase from EUR 16 million to EUR 34 million. This was primarily due to transaction costs from the business combination amounting to EUR 7.7 million and an increase in employee compensation due to a rise in onshore employees from 70 in 2022 to 113 in 2023, adding approximately EUR 9 million in costs.

EBITDA and Adjusted EBITDA

The Company projected an EBITDA range of EUR 40 million to EUR 45 million on 13 November 2023. The actual EBITDA for the year was EUR 42 million, down from EUR 64 million in 2022 due to higher cost of sales and administrative expenses. The Company also provided a revised outlook for the adjusted EBITDA in the range of EUR 47 million to EUR 52 million, with the actual Adjusted EBITDA for the year coming in at EUR 50 million. For further information please refer to Alternative Performance Measures section.

Financial Income and Expenses

Finance income decreased EUR 2 million from EUR 4 million in 2022 to EUR 2 million in 2023, mainly driven by EUR 3 million decrease in foreign exchange gains and an increase of EUR 1 million in interests gained. Finance costs decreased from EUR 10 million in 2022 to EUR 4 million in 2023, due to EUR 7 million decrease in foreign exchange losses and an increase of EUR 1 million increase in interests linked to debt institutions.

Profit for the year

The Group's net result for the year was a profit of EUR 11 million, which decreased from EUR 36 million in 2022, mainly driven by changes in cost of sales and administrative expenses. Cadeler A/S, the Parent Company, reported a net profit of EUR 11 million, down from EUR 27 million in 2022. This result is similar to group with minor differences attributed to the treatment of the two subsidiaries, Wind Orca Ltd and Wind Osprey Ltd, which are measured at cost in the Parent Company.

Cash flows

Net cash from operating activities in 2023 was EUR 63 million, double that of 2022. The increase was primarily driven by a positive net change in working capital and adjustments such as impairment of fixed assets. Net cash used in investing activities in 2023 was EUR 55 million, down from EUR 225 million in 2022, due to the absence of large asset investments. In 2023, the business combination with Eneti was completed via a share exchange and EUR 10 million net cash. Net cash from financing activities decreased by EUR 143 million to EUR 70 million in 2023, due to proceeds from issue of shares impacting 2022 and partially offset by the Holdco Facility for EUR 50 million from HSBC in 2023.

The Company had significant headroom to comply with its debt covenants and on 31 December 2023, the Company had available liquidity of EUR 435 million from cash at hand and available committed facilities like the New Debt facility and the Holdco Facility.

Assets

As of 31 December 2023, the Company's total assets amounted to EUR 1,253 million, a significant increase from EUR 670 million in 2022. This increase can be attributed to the business combination. Other additions to property, plant, and equipment are described in Note 18.

Property, Plant and Equipment

The Cadeler Group's property, plant, and equipment increased to EUR 1.1 billion in 2023, up from EUR 606 million in 2022. This primarily comprised the operating vessels Wind Scylla and Wind Zaratan, the newbuilds under construction and the M-Class down payments for EUR 144 million. The Cadeler Group does not own any substantial real estate. The Cadeler Group is leasing its current headquarters in Copenhagen, Denmark. The Cadeler Group entered into an agreement with Castellum Denmark regarding the lease for new headquarters in Copenhagen, Denmark, with effect from February 2024.

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Parent Company

The activities of the Parent Company are similar to the activities described for the Group. The finance review as described for the Group is also applicable for the Parent Company, except for the material differences described below. The Parent Company's revenue is EUR 109 million (EUR 108 million in 2022).

Total expenses for the Parent Company in 2023 amount to EUR 91 million (EUR 76 million in 2022) compared to EUR 94 million (EUR 65 million in 2022) for the Group. As the vessels of the Group are owned by subsidiaries of the Parent Company, no vessel depreciation or vessel insurance is recognised in the Parent Company. Instead, the Parent Company is subject to bareboat charges from vessel owning subsidiaries. This amounts to EUR 30 million in 2023 (EUR 34 million in 2022).

Total assets were EUR 1.3 billion (EUR 723 million in 2022), which is the same as the Group EUR 1.3 billion (670 million 2022). The increase in the parent company is due to the addition to investments in subsidiaries from the business combination with Eneti for EUR 496 million.

Total liabilities were EUR 357 million (EUR 198 million in 2022), the difference to the Group EUR 334 million (EUR 129 million in 2022) being driven by an increase of EUR 30 million in payables to subsidiaries. Equity amounted to EUR 953 million (EUR 525 million in 2022), compared to the Group EUR 959 million (EUR 541 million in 2022).

Knowledge resources

The Company is committed to attracting and retaining highly skilled professionals to meet the needs of its customers and provide exceptional service. This includes recruiting experienced engineers who can modify the Company's vessels to meet the specific

requirements of customer projects, as well as commercial experts with relevant industry knowledge. The Company's ongoing investment in talent enables it to maintain a competitive edge in the market and position itself for long-term success.

Research and development activities

The Company's Research and Development department is focused on enhancing the fleet and exploring innovative solutions to optimise operations within the offshore wind market.

By continuing to invest in R&D, the Company aims to maintain its competitive edge, achieve greater operational efficiency, and meet the evolving needs of its customers. The Company recognises the importance of ongoing research and development activities in ensuring its continued growth and success in the years ahead.

Special risks

Operational risks

The Company is vulnerable to a loss of revenue if any of its vessels are taken out of operation or if the delivery of newbuilds is delayed. The Company's fleet currently consists of four windfarm installation vessels, Wind Orca, Wind Osprey, Wind Scylla and Wind Zaratán. The Company also has orders for six newbuilds, four WTIVs, the P-Class and the M-Class newbuilds, and two wind foundation installation vessels, the A-Class newbuilds, and has entered into a letter of intent for the delivery of a third A-class newbuild.

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If any of the vessels in the Company's operational fleet at any given time are taken out of operation or delivered later than anticipated, due to risks such as delays in the delivery of the newbuilds or operational incidents, this could materially impact the Company's business, prospects, financial results, and condition.

The Company has contracted with COSCO to take delivery of four newbuild vessels in total in the period from the third quarter of 2024 to the second half of 2026. At the same time, the Company has a contract with Hanwha to take delivery of two newbuild vessels in 2025 and has entered into a letter of intent with COSCO for the construction of an additional A-Class newbuild. Any problems that may affect China or Korea in general, the general availability of components or material needed, or the shipyard specifically could lead to delays of one or all six newbuild vessels. The vessels may also be subject to upgrades, refurbishments, and/or repairs, which are subject to risks, including delays and cost overruns, which could have an adverse impact on the Company's available cash resources, results of operations, and its ability to comply with financial covenants pursuant to its financing arrangements.

The Group is operating in the offshore industry and is thus subject to inherent hazards, such as breakdowns, technical problems, harsh weather conditions, environmental pollution, force majeure situations (nationwide strikes, etc.), collisions and groundings. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations.

Windfarm installation vessels, including the Company's vessels, will also be subject to hazards inherent in marine operations, either while on-site or during mobilisation, such as but not limited to capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery

breakdowns, abnormal operating conditions, failure of subcontractors to perform or supply goods or services or personnel shortages.

Employment of vessels is key

The Group's income is dependent on project contracts and vessel charters for the employment of the vessels. Typically, these contracts are concluded several years in advance, giving visibility of future deployment. However, there is a risk that it may be difficult for the Company to obtain future cover for the vessels and utilisation may drop. Consequently, the vessels may need to be deployed on lower-yielding work-scopes or remain idle for periods without any compensation to the Company. There can also be off-hire periods as a consequence of accidents, technical breakdown and non-performance. The cancellation or postponement of one or more employment contracts can have a material adverse impact on the earnings of the Company.

Foreign exchange risks

The Company is exposed to foreign currency risks. A significant part of the income is invoiced in EUR, as are most costs, or in DKK, which is pegged to the EUR. Due to the business combination parts of the Income will be invoiced in USD. A significant proportion of the Company's commitments for the construction of the newbuild vessels will be paid in USD. The currency exposure arising from the newbuild contracts has been partially swapped to EUR at the Company's banks at an average USD:EUR rate of 0.9187. Another portion of the exposure has been hedged by entering into zero cost collar contracts, securing an average USD:EUR rate of between 0.8695 and 0.9466.

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Debt facility risks

The Company has entered into a debt financing agreement with challenging terms, conditions, and covenants that restrict its ability to obtain new financing and operate freely. This agreement contains specific financial covenants, and failure to meet them could result in the mandatory repayment of the Company's New Debt Facility, negatively impacting the Company's financial position.

The New Debt Facility also constrains the Group's ability to pay dividends in the future. With four operational vessels, the Group's ability to comply with financial covenants will depend on the market value of these vessels and their ability to generate revenue. Their indebtedness could affect future operations and flexibility, limiting the Group's ability to dispose of assets and compete with others in the industry for strategic opportunities.

Liquidity risks

The Company manages liquidity risk by having enough cash and credit facilities to meet operational needs and new vessel instalments. Financing will be needed from 2025 for milestone payments on new vessels, and the Company is exploring various funding options, including export credit agencies support and an indicative term sheet for financing acquired vessels.

Macroeconomic risks

The Company operates in multiple jurisdictions and serves a wide range of customers. The macroeconomic factors include, among other things, the rate of growth in the global economy, political conditions and levels of public/institutional spending within the energy sector, currency and interest rate fluctuations and inflation. Additionally, geopolitical tensions may have an impact on the future prospects of the Group's markets and may increase risk related to the Group's operations for example with relation to cyber threats to energy supply.

Interest risks

The Group entered into interest rate swap contracts with the Group's main bank and related these to the New Debt Facility and the future loans. The interest rate risk arising from the loans has been partially swapped from 3M EURIBOR to a fixed rate. The average fixed rate of the swaps is 2.6%.

Credit risks

The Company adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The Company deals only with customers with an appropriate history and obtains sufficient security where appropriate to mitigate credit risk. Historically, only immaterial credit losses have been experienced.

Data ethics

As per section 99D of the Danish Financial Statements Act, Cadeler as a listed company is obliged to disclose our policy towards data ethics. Cadeler complies with all relevant laws and legislations concerning privacy, confidentiality and cyber security. Cadeler is committed to handling data responsibly. Whilst we seek to harness the benefits that new technology and data usages bring, we will always respect and uphold the fundamental rights of all our employees and stakeholders.

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The following principles form the basis for Cadeler's responsible handling of both personal and non-personal data and support and inform our security and personal data policies and procedures:

- ▶ **Transparency.** We aim for transparency in all aspects of how we handle data, including ensuring individuals know how their data is used and for what purpose.
- ▶ **Respect.** We respect the rights of all our employees and those we do business with to make informed data choices and are committed to complying with all applicable legal and privacy requirements.
- ▶ **Security.** We seek to protect the confidentiality, integrity and availability of Cadeler's digital assets and data in compliance with relevant laws and industry-specific standards.

At Cadeler, we manage data of various types from different sources. Our strategy for handling such information is to ensure that it is created, maintained, and stored in a safe and secure way. Our governance for handling data applies to all personnel, both in our office and on board our vessels, as well as any third-party contractors engaged on our behalf. For third parties, we take particular care to minimise loss of information and sensitive information is only disclosed to authorised persons.

Cadeler's approach to data ethics is subject to annual review and approval by Cadeler's senior leadership team.

Impact on the external environment

Sustainability remains a strategic objective for the Company and is key to its ability to create long-term value for its shareholders. It represents an opportunity for innovation, improved efficiency and a foundation for growth. The Company is committed to

delivering leadership in matters of environment, health and safety, employment, and corporate responsibility across its value chain.

The Company pursues the long-term goals of decarbonisation, optimising energy efficiency, and improving circularity of its operations. The Company strives to identify and reduce the negative impact that its business has on the environment, monitor performance and identify potential areas for improvement. This is done, inter alia, by:

- ▶ Improvements to vessel design for the newbuild vessels
- ▶ Planning further improvements focused at energy efficiency, electrification, and implementation of renewable fuels
- ▶ Maintaining vessel compliance with the International Convention for the Prevention of Pollution from Ships ("MARPOL") requirements and operating on low sulphur fuels

For more information, see our annual reporting on sustainability (pages 37 – 81)

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Financial ratios and operational metrics

Return on assets	<u>Profit/loss from operating activities</u> Average assets	Diluted earnings per Share	<u>Result for the year</u> Average number of shares during the year + average number of shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares
Return on equity	<u>Profit/loss for the year</u> Average equity		
Equity ratio	<u>Equity, year-end</u> Total equity and liabilities, year-end	Contract Backlog (As of reporting date)	The total value of all customer contracts, both firm and options, that are not yet recognised as revenue as of the reporting date, and includes all new contracts signed until the same reporting date of the annual or interim report. Firm days are counted at full committed amounts, while options are measured at 50%. The definition also includes any contracts where revenue recognition has started but not yet completed as of the reporting date
Contracted days	Number of on hire days in the fiscal year (in total for all vessels), considering only 12 days in regards of Eneti.		
Utilisation	<u>Contracted days</u> Days in the year (365*all vessels)	Contract Backlog (As of report release date)	The total value of all customer contracts, both firm and options, that are not yet recognised as revenue as of the reporting date, but includes all new contracts signed until the release date of the annual or interim report. Firm days are counted at full committed amounts, while options are measured at 50%. The definition also includes any contracts where revenue recognition has started but not yet completed as of the reporting date.
Earnings per Share	<u>Result for the year</u> Average number of shares during the year		

Cadeler at a Glance



* Proforma revenue if the acquisition had occurred on 1 January 2023, see Note 6 of the consolidated financial statements for further details

** As per 31 December 2023 and options included at 100%

*** As per 26 March 2024

Regulatory

The Cadeler Group is subject to various regulatory and compliance requirements under international and national maritime regulations which significantly affect the ownership and operation of the Cadeler Group's fleet. The regulations mainly relate to marine safety, environmental protection and maritime security. The below is a description of the general regulatory framework in which the Cadeler Group operates and should not be considered exhaustive neither in respect of the subjects covered nor the details provided.

International Maritime Organisation

Most of the regulations relating to vessel operations are based on international rules issued predominantly by the IMO, the United Nations ("UN") agency for maritime safety and the prevention of pollution by vessels. The primary IMO regulations include the International Conventions for the Safety of Life at Sea ("SOLAS"), the International Convention of the Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"), and MARPOL.

Vessel Safety and Security Requirements

The SOLAS Convention was adopted in order to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims (the "LLMC") sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the "ISM Code"), the Cadeler Group's operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop

an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"). As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate.

The IMO's Maritime Safety Committee and MEPC, respectively, each adopted relevant parts of the International Code for Ships Operating in Polar Water (the "Polar Code"). The Polar Code covers design, construction, equipment, operational, training, search and rescue as well as environmental protection matters relevant to ships operating in the waters surrounding the two poles. It also includes mandatory measures regarding safety and pollution prevention as well as recommendatory provisions. The Polar Code applies to new ships constructed after 1 January 2017 and after 1 January 2018, ships constructed before 1 January 2017 are required to meet the relevant requirements by the earlier of their first intermediate or renewal survey.

Decarbonisation, energy efficiency and Air Emissions

MARPOL is applicable to vessels of any type under countries that are signatories and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions.

Regulatory

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Annex VI to MARPOL addresses air pollution from vessels. Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits "deliberate emissions" of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile compounds from cargo tanks, and the shipboard incineration of specific substances.

Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. Emissions of "volatile organic compounds" from certain vessels, and the shipboard incineration (from incinerators installed after 1 January 2000) of certain substances (such as polychlorinated biphenyls, or "PCBs") are also prohibited.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. The IMO has, inter alia, adopted an International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "BWM Convention") in 2004. The BWM Convention requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in

jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC).

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships (the "Anti-fouling Convention"). The Anti-fouling Convention prohibits the use of organotin compound coatings to prevent the attachment of molluscs, anti-fouling systems containing cybutryne and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate (the "IAFS Certificate") is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced.

International Labour Organisation

The International Labour Organisation (the "ILO") is a specialised agency of the UN that has adopted the Maritime Labor Convention 2006 ("MLC 2006"). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with MLC 2006 for all ships of 500 gross tons or over and are either engaged in international voyage or flying the flag of a member and operating from a port, or between ports, in another country.

Regulatory

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EU Regulations

Decarbonisation and energy efficiency

The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol's second period from 2013 to 2020.

Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 (amending EU Directive 2009/16/EC) ("MRV Regulation") governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually.

The EU has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age and flag as well as the number of times the ship has been detained. The EU also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the EU with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organisations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in Annex VI relating to the sulfur content of marine fuels. In addition, the EU imposed a 0.1% maximum sulfur requirement for fuel used by ships at berth in the Baltic, the North Sea and the English Channel (the so called "SOx-Emission Control Area). As of January 2020, EU member states also have to ensure that ships in all EU waters, except the SOx-Emission Control Area, use fuels with a 0.5% maximum sulfur content.

On 15 September 2020, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the EU's carbon market, the EU ETS. On July 14, 2021, the European Commission formally proposed its plan, which would involve gradually including the maritime sector from 2024 and phasing the sector in over a three-year period. This will require shipowners to buy permits to cover these emissions. On 18 December 2022, the Environmental Council and European Parliament agreed to include maritime shipping emissions within the scope of the EU ETS in phases: shipping companies will pay for 40% for verified emissions from 2024, 70% for 2025 and 100% for 2026. Most large vessels will be included in the scope of the EU ETS from the start, with offshore vessels being included from 2027. Offshore vessels above 5,000 gross tonnage will be included in the EU ETS from 2027. The inclusion of general cargo vessels and offshore vessels between 400-5,000 gross tonnage in the ETS will be reviewed in 2026.

Pollution Control and Liability Requirements

EU Directive 2009/123/EC (amending Directive 2005/35/EC) on ship-source pollution and on the introduction of penalties for infringements imposes criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger.

Regulatory

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Ship recycling

The EU has put in place regulatory requirements on the recycling of vessels. The recycling of vessels is subject to various international, regional and national requirements, including the 1989 Basel Convention/EU Waste Shipment Regulation (1013/2006), the 2009 Hong Kong Convention and the EU Ship Recycling Regulation (1257/2013) which may apply depending on the vessel flag and the location of the vessel when the decision to recycle the vessel was taken. The regulations put in place certain requirements relating to, inter alia, the export of vessels destined for recycling and the manner in which the recycling is carried out.

Inspection by Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorised by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified "in class" by a classification society which is a member of the International Association of Classification Societies, the IACS.

A vessel must undergo annual surveys, intermediate surveys, drydockings and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every periodically for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable and there may be further commercial consequences.

Other Coastal State Requirements

As a matter of international law, the coastal states are permitted, subject to certain restrictions, to put in place requirements on the vessels' operations in the territorial waters. Furthermore, the coastal state is entitled to exploit natural resources (such as wind power) in its exclusive economic zones and/or continental shelf subject to restrictions set out in the United Nations International Law of the Seas Convention (UNCLOS), Part II, Art. 2(2), Part V and VI (or customary international law).

Internationally, coastal states have elected to put significantly different regulatory requirements. The local law requirements may relate to matters such as the ownership/nationality of the vessel, nationality and/or work permits for crew, and/or use of local port infrastructure. In the Cadeler Group's activities, the Cadeler Group is confronted with a range of government policies that restrict international trade and protect domestic industries. These protectionist measures manifest themselves mostly through cabotage laws which protect the domestic shipping industry from foreign competition and thus prevent or limit the us from operating in such countries. Examples of such measures can be found, among others, in the United States through the Merchant Marine Act of 1920 (also known as the Jones Act), as well as in many other jurisdictions.

Corporate Governance

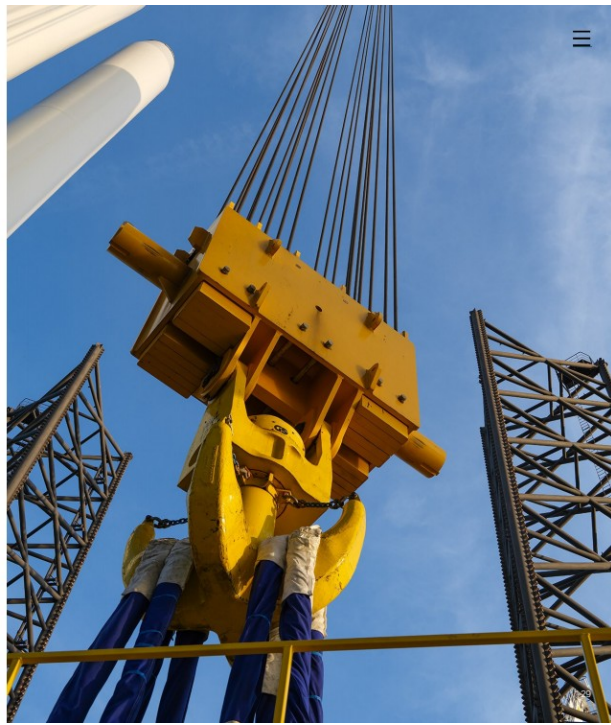
The Company's corporate governance principles are based on, and in all material aspects in compliance with, the Norwegian Code of Practice and applicable Danish law.

In addition, and as a result of the listing of the Company's American Depositary Shares on the New York Stock Exchange (the "NYSE"), the Company complies with applicable United States federal securities laws and regulations as well as the rules of the NYSE, in particular the corporate governance standards of Section 303A of the NYSE Listed Company Manual, to the extent applicable to the Company as a foreign private issuer.

A full copy of the Company's corporate governance code is available on the Company's website: <https://www.cadeler.com/assets/uploads/PDFs/Investors/cadeler-corporate-governance-policy-2024.pdf>

Statutory CSR report

To fulfil the requirement for statutory reporting on corporate responsibility cf. sections §99a and §107d of the Danish Financial Statements Act, the Company has integrated its annual sustainable development reporting into the Annual Report 2023, see pages 37 - 81. Also see pages 212-221 for the ESG Appendices, which contain KPIs and accounting practices related to Cadeler's Statutory reporting.



Corporate Governance

Gender composition of Management - statement cf. §99b

Cadeler aims to increase the representation of women on the board to at least 25% by the end of 2026. Presently, the board consists of one woman and five men, currently 16.7% women. The Company is actively working towards achieving its objective of having two women on its Board of Directors, which was not achieved by the end of 2023 as originally intended. Andreas Beroutsos stepped down from the board effective 25 April 2023. On the same date, Andrea Abt joined, briefly meeting during Q2 2023 our diversity target of having two women on the board. David Peter Cogman and Connie Hedegaard stepped down from the board on 16 June 2023, facilitating the execution of the business combination agreement. Subsequently on 20 February 2024, following the business combination, Emanuele Lauro and James Nish were elected to the Board by the general meeting of Cadeler.

Cadeler has set a goal to increase the number of women in managerial positions to 30% by the end of 2025, this will include all managers with staff responsibility and include Executive and other CXO level management. Cadeler made slight progress towards this target in 2023, but low levels of management turnover and similar diversity levels in Eneti management resulted in little change to the overall gender distribution of managers. During 2023, seven of our onshore managers at other managerial positions were women (five in 2022) and nineteen were men (fifteen in 2022), equal to 27% women. Cadeler is committed to fostering diversity and inclusion by prioritizing a safe, respectful workplace. Our zero-tolerance policy for harassment ensures all employees, regardless of gender, feel included and safe. By fostering mutual respect, we aim to attract and retain a diverse workforce, reflecting a range of gender, ethnicity, backgrounds and experiences.

Last 4 year overview (end of year) of gender composition of management, cf. §99b

	2020	2021	2022	2023
Top managerial position (Board of Directors)				
Total number of members	6	6	6	6
Underrepresented gender in pct.	16.7	16.7	16.7	16.7
Target figure in pct.	33	33	25	25
Year for fulfilment of target figure	2022	2022	2026	2026
Other managerial positions¹				
Total number of members	14	14	20	26
Underrepresented gender in pct.	16.7	29	25	27
Target figure in pct.	30	30	30	30
Year for fulfilment of target figure	2025	2025	2025	2025

¹Other managerial positions include the (first management level) senior leadership team, currently consisting of nine people in the Executive management and other CXO level management, and (second management level) persons with staff responsibilities who report to a member of the senior leadership team.

Board of Directors

Andreas Sohmen-Pao

Nationality:	Austrian
Born:	1971
Gender:	Male
Joined the Cadeler board:	2021
Current election period:	2023-2025

Chairman of the Board.

Considered non-independent.

Other management duties, etc.

- ▶ BW Group Limited (Executive Chairman)
 - ▶ BW Offshore Limited (Chairman)
 - ▶ BW Energy Limited (Chairman)
 - ▶ BW LPG Limited (Chairman)
 - ▶ BW Epic Kosan Ltd (Chairman)
 - ▶ Hafnia Limited (Chairman)
 - ▶ Global Centre for Maritime Decarbonisation (Chairman)
 - ▶ Lloyd's Register Foundation (member of the Board of Trustees)
- Former Chairman of the Singapore Maritime Foundation, and former member of the board of Navigator Holdings Ltd.

Education

- ▶ MBA, Harvard University, 1997
- ▶ BA Honours in Oriental Studies, Oxford University 1994

Qualifications

More than 20 years of experience in the shipping industry. Chairman for multiple corporate boards and board experience from international/listed companies.

Attendance in Board and Committee meetings during 2023

4/4	Board meetings
4/4	Chairmanship meetings
1/1	Remuneration Committee meeting

Emanuele A. Lauro

Nationality:	Italian
Born:	1978
Gender:	Male
Joined the Cadeler board:	2024
Current election period:	2024-2025

Vice Chairman of the Board of Directors.

Considered non-independent.

Other management duties, etc.

- ▶ Scorpio Holdings Limited (member of the Board)
- ▶ Scorpio Services Holding Limited
- ▶ Scorpio Tankers Inc. (Chairman)
- ▶ Scorpio Offshore Holding Inc.
- ▶ Scorpio USA LLC
- ▶ Moxie Corp
- ▶ Gorgon Holdings Limited
- ▶ Monaco Chamber of Shipping (President)
- ▶ Fordham University (member of the Advisory Board)

Education

- ▶ International Business, European Business School.

Qualifications

Extensive shipping industry experience spanning two decades. Chairs multiple corporate boards and active participant in the maritime community and advisory boards.

Attendance in Board and Committee meetings during 2023

n/a	Board meetings
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Jesper T. Lok

Nationality:	Danish
Born:	1968
Gender:	Male
Joined the Cadeler board:	2020
Current election period:	2022-2024

Board Member and chairs the Remuneration Committee.

Considered independent.

Other management duties, etc.

- ▶ Dagrofa (Chair)
- ▶ Evos (Chair)
- ▶ Gertsen & Olufsen (Chair)
- ▶ Inchcape Shipping Services (Chair)
- ▶ PISIFFIK (Vice Chair)
- ▶ RelyOn Nutec (Vice Chair)
- ▶ Silverstream Technologies (NED)
- ▶ TripleS (Chair)
- ▶ Vestergaard (Chair)

Education

- ▶ MBA, Nova Southeastern University (NSU)

Qualifications

Board experience from international private and listed maritime, retail, production and services companies. Management experience as CEO in private and public companies in the maritime and mobility sectors.

Attendance in Board and Committee meetings during 2023

3/4	Board meetings
1/1	Remuneration Committee meeting

Ditlev Wedell-Wedellsborg

Nationality:	Danish
Born:	1961
Gender:	Male
Joined the Cadeler board:	2020
Current election period:	2022-2024

Board Member and former chair of the Audit Committee until January 2024.

Considered independent.

Other management duties, etc.

- ▶ Wessel&Vetts Fond, (Chair)
- ▶ Weco Travel CEE and associated companies, (Chair)
- ▶ Travel House and associated companies, (Chair)
- ▶ Vind A/S, (Chair)
- ▶ Weco Invest, (Chair)
- ▶ Donau Agro, (member of the Board)
- ▶ Dampitech and associated companies, (member of the Board)
- ▶ AeroGuest, (member of the Board)
- ▶ Rigensgade Kaserne, (member of the Board)
- ▶ Aquitas, advisor
- ▶ Niki Invest, Manager

Education

- ▶ BA from Stanford University
- ▶ MBA from INSEAD

Qualifications

Board experience from Nordic companies and from the transportation sector. Management experience from ship owning company.

Attendance in Board and Committee meetings during 2023

4/4	Board meetings
5/5	Audit Committee meetings

Andrea Abt

Nationality:	German
Born:	1960
Gender:	Female
Joined the Cadeler board:	2023
Current election period:	2023-2025

Board Member and member of the Audit Committee. Former observer of the Audit Committee during 2023.

Considered independent.

Other management duties, etc.

- ▶ Energy Technology Holdings LLC / Exide Technologies (NED)
- ▶ Gerresheimer AG (member of the Supervisory Board)
- ▶ Mar Holdco S.à.r.l., Luxembourg (NED)

Education

- ▶ English and Spanish Philology from Rheinische Friedrich-Wilhelms University, Bonn
- ▶ MBA from Rotman School of Management, University of Toronto

Qualifications

Listed and non-listed board experience in European and US companies, broad executive background in a variety of functions. Specialist knowledge in procurement and logistics.

Attendance in Board and Committee meetings during 2023

3/3	Board meetings
3/3	Audit Committee meetings as an Observer.

James Nish

Nationality:	American
Born:	1968
Gender:	Male
Joined the Cadeler board:	2024
Current election period:	2024-2025

Board Member and chair of the Audit Committee from February 2024

Considered independent.

Other management duties, etc.

- ▶ Gibraltar Industries, Inc, (Chairman of Audit Committee and Capital Structure and Asset Management Committee)
- ▶ Alert360 Home Security Business (Lead Director)

Education

- ▶ BS in Accounting and Business, State University of New York.
- ▶ MBA, Wharton School of the University of Pennsylvania

Qualifications

Over 30 years of experience in investment banking, serving clients across a variety of international industrial markets. Certified public accountant and adjunct professor at Baruch College, Zicklin School of Business in New York and at Pace University, Lubin.

Attendance in Board and Committee meetings during 2023

n/a	Board meetings
n/a	Audit Committee meetings

Board members who stepped down in 2023

Andreas Beroutsos

Nationality:	Greek
Born:	1965
Gender:	Male
Joined the Cadeler board:	2020
Served the board until:	25 April 2023

Board Member.

Considered non-independent.

Other management duties, etc.

- ▶ Ductor Oy (private, representing BW Group)
- ▶ PetSmart (USA; parent of NYSE: CHWY, Chewy)
- ▶ HIG Acquisition (NYSE: HIGA)

Education

- ▶ BA in Social Studies, Harvard College, 1988
- ▶ MBA, Harvard Business School, 1992

Qualifications

Long service on multiple corporate and non-profit Boards, including as Chairman/officer, and member of Finance/Risk, Remuneration, Audit etc. committees. Long-term investor/asset manager for institutional asset managers active in Private Equity, Infrastructure and public markets.

Attendance in Board and Committee meetings during 2023

1/1 Board meetings

David Cogman

Nationality:	British
Born:	1974
Gender:	Male
Joined the Cadeler board:	2021
Served the board until:	16 June 2023

Board Member and member of the Audit Committee.

Considered non-independent.

Other management duties, etc.

- ▶ Swire Pacific Limited (Executive Director), John Swire & Sons (Hong Kong) (Director), and director of various subsidiary companies
- Former partner of McKinsey & Company.

Education

- ▶ BSc in Economics, London School of Economics, 1995
- ▶ MBA, Stanford Graduate School of Business, 2001

Qualifications

Board and Management experience in M&A, strategy, and business development.

Attendance in Board and Committee meetings during 2023

2/2 Board meetings
2/2 Audit Committee meetings

Connie Hedegaard

Nationality:	Danish
Born:	1960
Gender:	Female
Joined the Cadeler board:	2020
Served the board until:	16 June 2023

Board Member and chaired the Nomination Committee.

Considered independent.

Other management duties, etc.

- ▶ KR Foundation (Chair)
 - ▶ CONGITO (Chair)
 - ▶ OECD Round Table on Sustainable Development (Chair)
 - ▶ Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping (Vice Chair)
 - ▶ BBVA (member of the Board)
 - ▶ Danfoss (member of the Board)
 - ▶ KIRKBI (member of the Board)
- Former EU Commissioner and Minister for Environment and Climate & Energy.

Education

- ▶ MSc in History and Literary studies, University of Copenhagen

Qualifications

Solid experience from the political and regulatory arena as a result of being elected in the Danish Parliament in 1984 as well as from working as a journalist for 14 years and heading the national radio news. Serving in numerous boards in both Danish and international companies as well as in public committees and commissions since 2015.

Attendance in Board and Committee meetings during 2023

2/2 Board meetings

Executive Management

Mikkel Gleerup

Nationality:	Danish
Born:	1978
Gender:	Male
Joined Cadeler:	2017

Chief Executive Officer (CEO)

Mikkel Gleerup does not have other roles or positions of trust outside the Company.

Education

- MBA, INSEAD, 2016
- MSc in Transportation and Maritime Management, University of Southern Denmark, 2008

Qualifications

Experience from working within the offshore wind segment for more than 17 years inter alia with Siemens Wind Power, Global Marine Systems Ltd. and A.P. Møller-Maersk.

Peter Brogaard

Nationality:	Danish
Born:	1965
Gender:	Male
Joined Cadeler:	2022

Chief Financial Officer (CFO)

Peter Brogaard does not have other roles or positions of trust outside the Company.

Education

- MSc in Accounting and Auditing, Aarhus University, 1995

Qualifications

Significant experience from the shipping industry and finance, among others from working as Vice President, Group Finance at the product tanker shipping company TORM Plc. where he worked prior to joining the Company. He has also held various board positions in the Torm's subsidiaries.



Corporate Governance

Continued from previous page

Largest shareholders

As per 26 March 2024, three shareholders held shares in excess of 5% of the total share capital of Cadeler. BW Altor Pte. Ltd. held 19.57%, Scorpio Holdings Limited held 12.09% and Swire Pacific Limited held 8.51% of the total share capital.

Share capital increases and issuance of shares

In December 2023, in connection with the share exchange offer, Cadeler issued 113.8 million shares priced at NOK 45.76 per share, corresponding to 28.4 million Cadeler American Depositary Shares. In addition to the 197.6 million shares at the beginning of the reporting period, the Company has 311.4 million shares in issue as of 31 December 2023.

Purchase of own shares

At the general meeting held on 25 April 2023, the board of directors was granted an authorisation in the period until 24 April 2027 to purchase own shares of the Company. The Company does not plan to repurchase any own shares for the time being other than for the purpose of satisfying its obligations under the Company's share based incentive programmes but will consider repurchasing own shares if considered preferable for the purpose of delivery of existing shares in connection with growth initiatives.

Voting rights

As per 31 December 2023, there were 311,409,868 issued shares in Cadeler. At the general meeting, each share of the nominal value of DKK 1 shall carry one vote. No shareholders have any special or different voting rights pursuant to the Articles of Association.

Resolutions at general meetings shall be passed by a simple majority of votes cast, unless otherwise prescribed under the Danish Companies Act or by the Articles of Association. Adoption of changes to the Articles of Association, dissolution of the Company, merger or demerger requires that the resolution is adopted by at least 2/3 of the votes

cast as well as of the share capital represented at the general meeting. The provisions in the Articles of Association relating to a change of the rights of shareholders or a change to the capital are not more stringent than required by the Danish Companies Act.

Change of control

The New Debt Facility has a change of control clause which is triggered: if any person or group, excluding Swire Pacific, the BW Group, and their affiliates, gains control of 25% or more of voting and/or ordinary shares. The Holdco Facility change of control is triggered if BW Altor Pt. Ltd. and its subsidiaries (the "BW Group") own less than 20%, or if any other entity gets 25% or more of Cadeler's shares or voting rights. This applies unless BW Group's ownership drops due to merging with a similar company, as long as they still own at least 17.5% of Cadeler, as is now the case due to the business combination with Eneti. Additionally, the P-Class Facility outlines a change of control if any individual or group, excluding Swire Pacific and the BW Group, acquires more than 25% of Cadeler's issued and outstanding share capital or voting share capital. The Credit Facility for the M-Class vessels, signed before the completion of the Eneti business combination, incorporated provisions accommodating such an event. Despite containing a change control provision, it did not trigger amidst the business combination. Customer contracts may include change of control clauses, which are considered customary for the industry.

Anti-corruption

Cadeler also has a Supply Chain Sustainability Code of Conduct that outlines our expectations for the companies we work with. There is both a business and a moral case for ensuring that human rights and anti-corruption principles are upheld during our operation and throughout our value chain. In order to further reduce any risk of poor practice within our supply chains, we are strengthening our system for ensuring our suppliers comply with our requirements.

2024 Outlook

Cadeler will continue to provide construction, maintenance, decommissioning and other services for the renewable offshore wind industry. The financial performance of the Group for 2024 is expected to result in a revenue of between EUR 225 million and EUR 245 million, compared with a revenue of EUR 109 million in 2023. EBITDA is expected to be in the range of EUR 105 million to EUR 125 million in 2024 (in 2023 EUR 43 million, and EUR 51 million for Adjusted EBITDA).

Management expects that Cadeler's performance, as a Parent Company, will result in a revenue of between EUR 123 million and EUR 143 million, which is higher than its performance in 2023, EUR 109 million. The difference in the Group's revenue is driven by inter-company charges to its subsidiaries.

In 2024, Cadeler is positioned to benefit from strong demand and growth in the offshore wind industry. The rapidly expanding contract backlog presents an appealing opportunity for significant revenue generation. The Company has signed contracts that will provide a steady, continuous flow of projects from 2024 to 2031. The contract backlog, as of 26 March 2024, will deliver a total value of EUR 1,580 million with options included at 50%. The Company's strategic plan to expand its fleet with six new vessels, comprising two P-Class, two M-Class, and two A-Class installation vessels, will bolster its capacity to meet this demand. The delivery of these new vessels, between 2024 and 2026, will further consolidate Cadeler's market position.

Furthermore, the projected shortfall of capable offshore wind turbine and foundation installation vessels from 2026 to 2027 provides Cadeler with an additional opportunity to secure more contracts. The recent merger with Eneti has extended Cadeler's global reach and the expected realisation of significant merger synergies materialising between 2024 and 2026 will contribute to the Company's growth and profitability. Additionally, Cadeler's focus on enhancing utilisation and trimming costs through initiatives such as

cross-utilisation of equipment, sea fastenings and tooling is expected to bring in improved operational efficiency and cost savings. Overall, these factors are poised to propel Cadeler's continued success in 2024.

The world's capacity to generate renewable electricity is expanding faster than at any time during the last three decades. There is a real chance of tripling global capacity by 2030 – a goal set by governments at the COP28 climate change conference in Dubai in December 2023. The offshore sector and Cadeler are looking ahead with optimism, aiming to overcome the value chain bottlenecks and inflation experienced in recent months. To date, Cadeler has successfully navigated the uncertainties generated by increasing interest and inflation rates, geopolitical tensions, and supply chain constraints. The Company has strategies in place to further improve the customer value proposition with the largest and most flexible fleet.

Given that the Group is currently in a fleet expansion phase, during which it is investing in new vessels and equipment to facilitate future growth, the Group does not expect to make dividend payments in the medium term.

Cadeler's guidance for 2024 is subject to risks and uncertainties, many of which are beyond its control. One-off market-shaping events such as strikes, embargoes, political instability or adverse weather conditions, could have a substantial impact on the business. There could also be off-hire periods as a consequence of accidents, technical breakdown or non-performance. The cancellation or postponement of one or more vessel employment contracts could have a material adverse impact on the earnings of the Company.



Reporting on Sustainability

This section constitutes Cadeler's statutory reporting on corporate responsibility cf. §99a and §107d of the Danish Financial Statements Act

Also see pages 212-221 for the ESG Appendices, which contain KPIs and accounting practices related to Cadeler's Statutory reporting



Empowering the Green Horizon

As the world faces the urgent need to combat climate change and transition towards renewable energy sources, the offshore wind industry plays a pivotal role in steering this transformation towards a more sustainable future. With its vast potential and capacity for clean energy generation, offshore wind power has emerged as one of the predominant energy sources in the global trajectory towards net zero emissions by 2050.

Unlike traditional fossil fuel-based energy sources, offshore wind energy is abundant, renewable, and emits zero greenhouse gases during operation. This makes it a crucial component in efforts to decarbonise electricity generation, reduce reliance on fossil fuels, and achieve ambitious climate targets set forth in international agreements such as the Paris Agreement. However, the industry must rapidly increase its efforts in making the entire value chain more sustainable, from a life-cycle perspective.

Dedicated to serving the current and future offshore wind industry in the most sustainable and efficient manner, Cadeler is a leader and key supplier in the industry for the transportation, installation and maintenance of offshore wind turbine generators and their foundations. Owning and operating the industry's largest WTIVs fleet, Cadeler understands its pivotal role and responsibility in the outreach of reliable, sustainable, and affordable energy.

As part of its growth strategy, in 2023 Cadeler underwent a business combination with Eneti. Starting in 2024, Cadeler's fleet is expanding with six new wind installation vessels ordered, and the installation of upgraded cranes for the existing O-Class vessels is well under way. The investment in expanding and improving the fleet shows commitment to maintaining the Company's status as a leading player in the offshore wind industry.

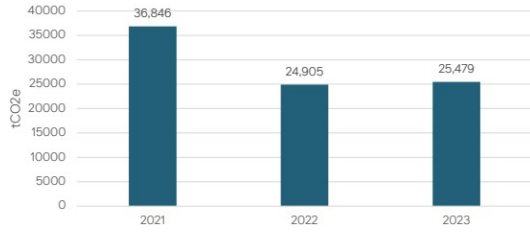
As Cadeler expands, so does its capacity to bring renewable energy to customers across Europe and around the world, but the enlarged Company footprint also requires increased emphasis on the importance of ensuring the net environmental and social impacts from operations remain positive. By the end of 2023, Cadeler had installed 1324 wind turbines and 853 wind turbine foundations.

Our mission is to create value for our stakeholders and the entire industry's ecosystem. Continuous improvement of the Company's governance, policies and procedures are more important than ever to ensure growth is sustainable and continues to benefit society. Through this approach, Cadeler strives to support the generation of more clean energy than ever before while minimising any negative impacts from operations, while supporting our customers and shareholders meet their own ESG ambitions.

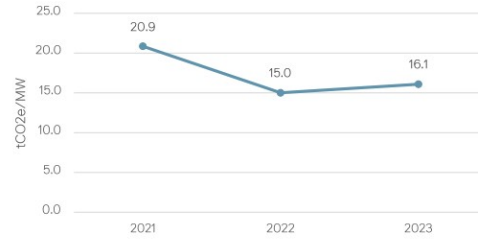
Moreover, the offshore wind industry holds the promise of economic growth, job creation, and technological innovation. From coastal communities to industrial hubs, offshore wind projects stimulate local economies, create employment opportunities, and drive investments in research and development, boosting global competitiveness and driving forward technological advancements.

2023 ESG Highlights

Scope 1 absolute emissions (tCO2e)
Target net zero by 2035



Scope 1 emission intensity (tCO2e per MW installed or serviced)
Target 50% reduction by 2030

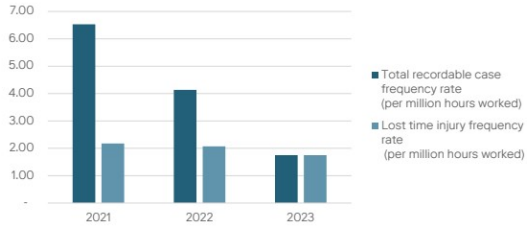


2023 ESG Highlights

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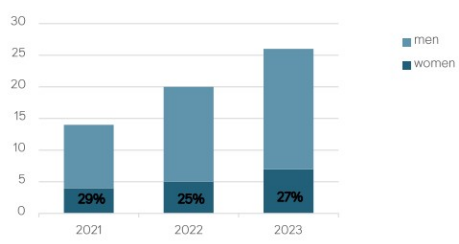
Safety KPIs

Target zero recordable cases and zero lost time incidents



Management Positions – onshore

Target 30% women by 2025



Our Sustainable Development Framework

Mission	Targets	Areas covered	UN SDG	
Environment	Commitment to presenting full overview of scope 3 emissions and Scope 3 reduction targets in next annual report	Decarbonisation	7, 13, 17	
	Reduction of company-wide scope 1 and 2 emission intensity by 50% by 2030	Biodiversity	14	
	Cadeler commits to sourcing 100% of its electricity consumption from renewable sources by 2030	Circularity	12	
	Cadeler aims to reduce waste from its own operations by 50% by 2030	Climate Risk	13	
	Net-zero operations by 2035	Responsible consumption	12	
Social	Zero spills to the marine environment	Health	3	
	Maintain a safe, engaging, diverse and inclusive work environment on and offshore	Safety	3	
	Aim for zero lost time incidents and zero recordable cases	Positive workplace environment	8	
	2025: 30% women in leadership positions	Diversity	10	
Governance	Operate our business ethically and aim to implement practices that also hold our supply chain to the same standard	Work towards having all of Cadeler's key suppliers commit to our Supply Chain Sustainability Code of Conduct by 2030	Corporate Responsibility and Compliance	10, 12
			Business Ethics	12
			Responsible Procurement	10, 12

Sustainable Development Highlights

1. Signatory of the UN Global Compact: Cadeler supports its 10 principles along with the 17 UN Sustainable Development Goals (SDGs) and commits to integrating basic principles related to human rights, worker rights, environmental protection, and anti-corruption into our business practices.



3 GOOD HEALTH AND WELL-BEING



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES
2. Formally established a dedicated Sustainability and Decarbonisation team in Cadeler
3. Designed a Decarbonisation Strategy during 2023 to expand on the ESG Framework of the Company and set a clear pathway towards meeting the Company's targets.
4. Update of the accounting guidelines to account for all vessel marine gas oil emissions as Scope 1 and take greater ownership of our vessels' impact on the environment.

Partnerships to reach the Sustainable Development Goals

This year, we would like to recognise the importance of SDG 17, partnerships for the goals, and add it as a focus area in our improvement journey. Collaboration and partnerships within the maritime ecosystem play a vital role in accelerating the offshore wind value chain decarbonisation efforts. Through development projects, joint research and pilot testing, standardisation initiatives, and knowledge sharing, stakeholders can leverage their respective expertise and resources to overcome barriers, drive innovation, and scale up low-carbon technologies. No single entity can drive change and the industry's transition alone.

By working together with our stakeholders, Cadeler aims to collectively address challenges such as infrastructure development, supply chain integration, and regulatory compliance, paving the way for a more sustainable and resilient maritime industry. Collaboration and partnerships are not only key enablers of maritime decarbonisation, and at a higher pace, but also essential for achieving broader sustainability goals and ensuring a prosperous future for the maritime sector and the planet as a whole. Renewable energy companies, technology providers, governments, research institutions must join efforts to deliver on the development and adoption of innovative solutions.

As a result of our ambitions, in 2023, Cadeler joined the EMRED joint industry project led by DNV. The project aims to establish a standardised monitoring and reporting framework for assessing greenhouse gas (GHG) emissions in the offshore wind installation sector. By developing these metrics and baselines, the project partners intend to offer a set of indicators that will enable standardisation and contribute to driving emissions reductions across the industry. Towards the end of 2023, Cadeler also began its involvement in a project led by Danish Shipping and ReFlow focused on development of a digital tool for assessing lifecycle emissions of vessels.

We have high ambitions to continue expanding our ESG cooperation across the industry during 2024.



Materiality

Throughout 2023, and ahead of the applicability of EU CSRD regulation, Cadeler has conducted a preliminary Materiality Assessment to identify and prioritise the most significant environmental, social, and governance (ESG) issues relevant to our business and stakeholders.

This assessment has involved analysing and engaging with a wide range of internal and external stakeholders, including employees, investors, customers, and regulators, amongst others, to gather insights into their concerns, expectations, and interests. By analysing these insights alongside our Company's ambitions and strategy, we have been able to identify the most material ESG topics that have the potential to impact our long-term sustainability performance and stakeholder relationships. The Materiality Assessment serves as a critical foundation for our sustainability strategy. Through transparently reporting on these material topics, we demonstrate our commitment to addressing key sustainability challenges and driving positive impacts across our operations and value chain.

Steps taken to define material topics:

1. Identifying salient environmental, social and governance issues for which the Company has potential positive or negative impacts, as well as issues which may have financial materiality for the Company.
2. Identifying internal and external stakeholders (Cadeler's list in 2023 included key clients, contractors, our employees, investors, ESG rating agencies, and regulatory bodies)
3. Extracting information from internal and external stakeholders about the ESG topics they view as material to Cadeler. This was performed using a combination of direct discussions; taking note of which topics were prioritised in requests for information

and questionnaires received from clients and investors throughout the year; and a materiality survey sent out to management within Cadeler.

4. Evaluating the various sources of information to identify the critical ESG topics

The findings from the Materiality Assessment enabled Cadeler to adapt the Sustainable Development Strategy and reporting template to cover all topics highlighted as material issues. No major changes were made in 2023 as the results were largely consistent with the 2022 results. However, two topics were added to the list of material topics: (1) energy intensity of operations and (2) opportunities for training and education at Cadeler. Lastly, no topics were removed from the list of material issues in 2023.

Material topics as defined by the 2023 assessment

Environment	GHG emissions
	Energy intensity of operations
	Compliance with environmental regulations
	Vessel improvements
	Use of resources/waste
	Marine pollution
Social	Occupational health and safety
	Diversity and equal opportunity
	Human rights
	Opportunities for training and education
Governance	Management of ESG topics in the supply chain
	Anti-corruption
	Business ethics

Environment



Our Decarbonisation Strategy in Response to the Climate Emergency

It has become increasingly evident that the world is facing a climate emergency. At Cadeler we recognise the gravity of the climate challenge and are conscious of the urgent need to take decisive and immediate action.

The offshore wind industry plays a vital role in shaping a more sustainable future. As an industry leader in the transport and installation of offshore wind farms, we understand the critical role that our operations play in enabling the global transition to renewable energy, and we are committed to playing our part in addressing this crisis by mitigating the impacts of our operations on our planet and communities.

Guided by our commitment to environmental protection, in 2021 we set the most ambitious climate targets in the industry. These are reflecting our commitment and efforts to leading by example and making tangible progress towards a low-carbon economy, preserving the health of our planet for future generations. This approach comes both with opportunities as well as challenges for Cadeler, and for that we have defined a strategy to support our journey.

Key Targets:

Renewable electricity commitment

Cadeler commits to sourcing 100% of its electricity consumption from renewable sources by 2030.

Emissions reduction target

Cadeler strives to reduce the carbon intensity of operations by 50% by 2030, ensuring its contribution is in line with the International Maritime Organisation (IMO) goals.

Net zero greenhouse gas emissions target

Cadeler aims to achieve net-zero emissions from its own operations by 2035. Achieving this goal requires emission reductions across the fleet, innovations in operations, and research into reliable solutions for sequestering the greenhouse gases that the Company cannot avoid emitting.

Our climate progress in 2023

The offshore wind market is recognising the importance of monitoring and tackling the GHG emissions from a life-cycle perspective. Accordingly, we have experienced a rapid surge in our customer's interest for carbon-reduced solutions from our part of the value chain.

In order to live up to our climate commitments and support our customers in reaching their climate ambitions, we have continued mapping the available solutions and taken a more accelerated approach.

Establishment of a Decarbonisation and Sustainability Department

In 2023, Cadeler formally established a department within the organisation solely focused on the issues of decarbonisation and sustainable development.

Sponsored by executive management, in this function resides the responsibility for designing the strategy and roadmaps for decarbonisation, as well as its execution and implementation. This strategic decision was a consequence of the Company's acknowledgement of both the importance and complexity of meeting the challenges within these areas.

Strategy for decarbonising our operations

We have designed our Decarbonisation Model, as we understand that being at the forefront of the industry's decarbonisation journey and in order to deliver on our long-term climate action requires a clearly defined approach.

Cadeler will continue to focus on reducing its emissions intensity and will intensify its decarbonisation efforts through three key levers; 1) optimizing energy consumption 2) enabling direct electrification, and 3) adopting green fuels.

Optimizing Energy Consumption:

Unlocking the vast potential of optimizing our energy consumption across the fleet, will continue to be one of Cadeler's priorities in the short-term. This requires continuously investigating and implementing energy efficient solutions (both operational and technological) on existing assets, to further reduce carbon intensity.

However, understanding how energy is consumed onboard the vessels is a key driver for Cadeler towards improving energy efficiency. During 2023 we continued expanding on our fuel monitoring systems, enabling sufficient real-time data to be utilised to drive improvement actions

Additionally, a heavy focus has been put on delivering new-build assets with a significantly higher level of efficiencies by design. All these initiatives will form the foundation of a future low-carbon fleet for Cadeler.

Enabling direct electrification:

Due to the nature of Cadeler's cycle-based operations, electrifying our vessels through shore-power connection while loading and unloading at port will be an essential driver to cut our emissions. This solution, which will be enabled both onboard the O-class vessels and our new-builds, is estimated to result in up to 15% emissions reduction yearly.

Benefiting from renewable power sources while at berth, however, requires the port and grid infrastructure to be developed and enabled, providing reliable and green power to the vessel. For this, Cadeler's focus will also be on identifying and working closely together with its major service ports and customers, and support and promote the readiness for adoption of green electricity.

Our climate progress in 2023

Continued from previous page

Adopting green fuels:

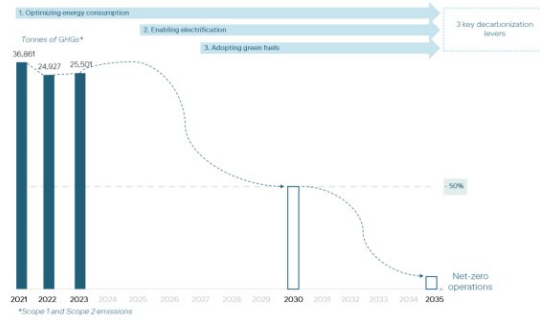
Transitioning to the use of green fuels in our vessels will be essential for Cadeler's decarbonisation journey, as they provide the unique pathway towards our net-zero commitments, providing up to 95% GHG emissions reduction.

During 2023, Cadeler commenced exploring the update of certified biofuels and renewable diesel in our current O-class vessels, as these provide a readily available solution towards reducing emissions related to engine combustion, replacing fossil fuels. Additionally, these blend-in fuels don't require our vessels to undergo major retrofits, enabling a smooth and immediate adoption.

Another major focus of Cadeler, however, is on building a fleet of vessels able to run on alternative fuels in the future. With the ordering of six new-builds, significant resources have been allocated during 2023 into preparing these vessels to ensure they are ready for conversion to run on these fuels. Green methanol has been identified as the soonest available option, following the increased demand for this fuel in the shipping sector, encouraging the entire supply infrastructure to be developed within coming years. Several fuel pathways have been explored, however, and during 2024 we will continue following and investigating the alternatives in the market.

Our Decarbonisation Model to meet Cadeler's 2030 and 2035 climate targets:

Cadeler views reduction of emissions at the source as a more effective and responsible strategy than reliance on carbon offsetting to achieve reduction of its carbon footprint. We don't envision it as a linear decrease of emissions but believe that decarbonisation will be a transition with continuous improvements and upgrades until 2035 and beyond, based on the technical readiness and the Company's growth projections.



Fleet decarbonisation overview

Based on Cadeler's decarbonisation strategy presented in the previous section, our fleet has continuously been adopting low-emission solutions.

P-class vessels, Wind Pace and Wind Peak

Cadeler previously announced plans to build two new wind farm installation vessels. The Company confirms its intention to deliver vessels that are more eco-friendly than Wind Orca and Wind Osprey. A decade of innovative solutions since the delivery of the O-class vessels will enable us to implement energy efficiency and emission reduction technologies. Improvements to the design include shore power connections (expected to reduce fuel consumption by up to 15%), fuel-efficient engines and optimised engine sizing. Other refinements include an onboard power-saving system, which includes batteries covering >10% of energy required for crane operations and ~10% of energy required for DP and manoeuvring, regeneration of power from the jacking system and variable frequency drives. Cadeler has intentions to move towards alternative fuels when the right technologies are commercially available and has already invested resources in ensuring the newbuild vessels can undergo a conversion to alternative fuels in the future. The Company has built readiness for conversion to alternative fuels into the design of the P-Class newbuild vessels.

A-class vessels, Wind Ace and Wind Ally

In 2022, Cadeler announced the further expansion of its fleet to include two jack-up foundation installation vessels designed with a hybrid purpose, allowing the vessels to convert from being foundation installation units to WTIVs within a short period of time. Both A-class vessels will be equipped with the same green design elements as the P-class. Cadeler has intentions to move towards alternative fuels when the right technologies are commercially available and has already invested resources in ensuring the newbuild vessels can undergo a conversion to alternative fuels in the future. The Company

has built readiness for conversion to alternative fuels into the design of the A-Class vessels.

M-Class newbuilds, previously the Eneti newbuild programme

Cadeler took over management of the newbuilding processes for the M-Class vessels at the end of 2023. The vessels are expected to be equipped with shore power connections, a closed ring/bus system for improved power management and improved efficiency, staggered sized diesel generators (allowing for running of engines at more optimal loads for fuel to energy efficiency), a battery energy storage system with regeneration from the jacking system, and implementation of LED type lighting. Cadeler will continue to evaluate and expects to be able to provide more details estimating the improved CO₂e emission performance of these vessels in the future.

O-Class, Wind Orca and Wind Osprey

The Company previously announced the intention to invest in improved fuel tracking systems for our O-class vessels. The fuel monitoring systems were installed in the first half of 2023, and we are now working on our processes for using the data as a tool in our decarbonisation journey. Installation of these systems is expected to be an improvement that will enable the vessels to track fuel consumption more accurately, identify operational areas for improvements, and set best practice standards for engine efficiency. In last year's report, Cadeler also announced its intention to install shore power connections on the O-class vessels. Implementation of shore power on the vessels is in the planning process, and the installation is expected to progress during Q1 2025.

Wind Scylla and Wind Zaratana

Cadeler took on management of these vessels at the end of 2023, and in future reporting, we will also include statements on initiatives taken to reduce CO₂e emissions and other environmental impacts from these vessels.



2023 emissions

Scope 1

Scope 2



Scope 3

Scope 1 - direct emission sources

Scope 2 - indirect emission sources

Scope 3 - indirect emission sources

Tonnes CO_{2e}
25,479.30

Tonnes CO_{2e}
22.66

Tonnes CO_{2e}
780.85

% of Cadeler's emissions in 2023
96.94%

% of Cadeler's emissions in 2023
0.09%

% of Cadeler's emissions in 2023
2.97%

Vessel marine gas oil (MGO) and all lube oil consumption (tank to wake emissions), fuel for company cars, vessel F-gas related emissions. Cadeler has updated its accounting guidelines to account for all vessel MGO related emissions as Scope 1. Some on hire periods were categorised as Scope 3 in past years. While we still don't have control over every operational decision on certain contracts, we believe, by categorizing all vessel MGO emissions as scope 1, we take greater ownership of our vessels' impact on the environment.

Office electricity consumption, office heat consumption, electricity for company electric cars

Currently limited accounting, air travel for vessel and office personnel, helicopter crew changes, to be expanded in 2024 reporting to capture emissions more fully.

Emissions Intensity

Cadeler views every MW of wind power installed or repaired as a service providing societal benefit, so the aim is to maximise the Company's positive impact against the negative impact of greenhouse gas emissions from operations. To improve upon this metric, Cadeler strives to maximise the usage of its vessels for projects which support the energy transition, while reducing the emissions from operations via improvements to the technical systems on our existing and future vessels, improve its operational practices, and ensure its vessels maintain their ability to serve the requirements of the offshore wind market. In line with the Company-wide net zero goal, Cadeler will aim to approach zero tonnes of CO_{2e} emitted from our vessel engines per MW installed or serviced by 2035, from a 2021 baseline.

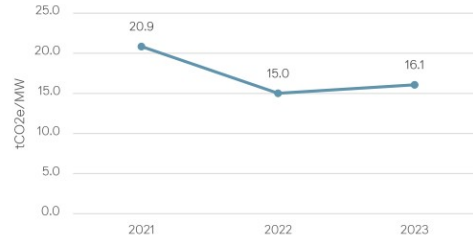
Cadeler is working to reduce the emissions intensity of its operations and improve the performance of its assets. In order to achieve this target, the Company needs a baseline upon which it can improve. Our baseline year has been defined as 2021, the first full year Cadeler operations as an independent entity.

Last year, Cadeler defined two new metrics for tracking emissions intensity: 1) Emissions per MW installed or serviced and 2) Emissions per Revenue. We intend to report these metrics on an annual basis. This year, we will slightly adapt these metrics from focusing on vessel engine emissions to all scope 1 emissions. This is the consequence of Cadeler redefining the split between scope 1 and scope 3 emissions in 2023; this change has moved all vessel engine related emissions into the scope 1 category and therefore provides a simpler definition going forward. The majority of scope 1 emissions are attributable to running of the vessel engines, so the figures presented here are very comparable to the data presented last year.

KPI 1: GHG Emissions per MW installed or serviced (tCO_{2e}/MW) → Scope 1 CO_{2e} emissions versus our annual installation of wind turbine generators and foundations and maintenance of offshore wind power capacity.

The core purpose of Cadeler is to support the transition to a renewables-based energy grid. Hence, we see importance in judging vessel performance based on the efficiency of supporting the installation and maintenance of turbines in terms of how much carbon the vessel emits (negative impact) per MW of offshore wind power installed or serviced (positive impact).

Scope 1 emissions (tCO_{2e}) per MW installed or serviced



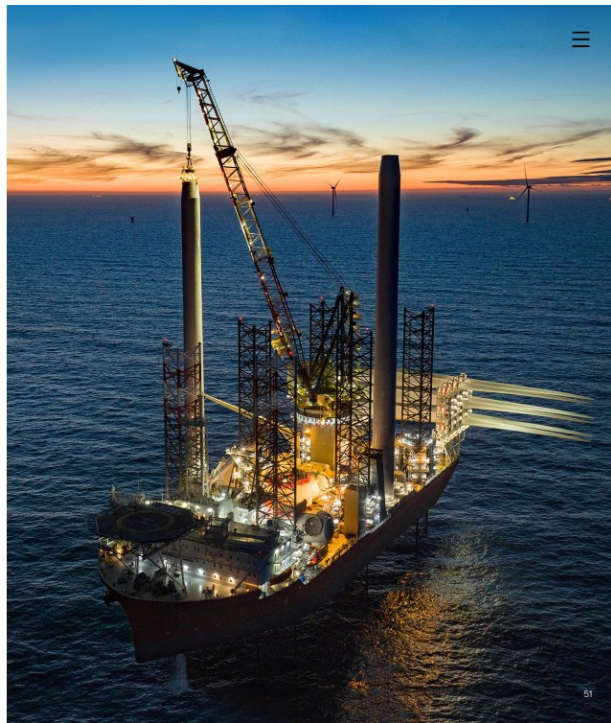
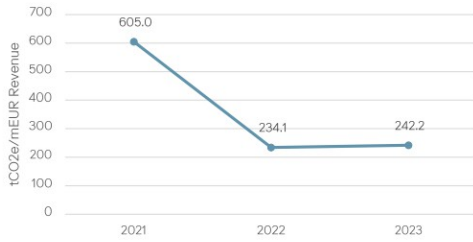
Emissions Intensity

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KPI 2: GHG emissions per EUR revenue (tCO_{2e}/Million EUR) → Scope 1 CO_{2e} emissions versus our annual revenue has been incorporated in 2023 as a key metric for Cadeler.

This KPI reflects our commitment to drive decarbonisation strategies that align with our Company's growth objectives, driving innovation and efficiency across our operations. Measuring and managing our environmental footprint in a transparent manner that integrates sustainability with our business success is our way to show accountability.

Scope 1 emissions (tCO_{2e}) per Revenue (mEUR)



Environmental Performance Data

	unit	2023	2022	2021	2020
Scope 1 CO2e*	Tonnes	25479.30	24905.21	36845.50	23190.03
Scope 2 CO2e	Tonnes	22.66	22.15	15.65	7.78
Scope 3 CO2e*	Tonnes	780.85	666.38	418.85	270.00
Total CO2e	Tonnes	26282.81	25593.74	37280.00	23467.81
SOx	Tonnes	155.97	151.34	224.57	133.12
NOx	Tonnes	451.52	330.68	490.68	290.85
Particulates - PM10	Tonnes	8.34	-	-	-
Particulates - PM2.5	Tonnes	7.10	-	-	-
NMVOcs	Tonnes	14.50	73.40	108.92	64.56
Fresh water consumed	m3	11152.75	9856.65	11672.00	12769.00
Plastic waste disposed (vessels)	m3	180.90	182.80	279.40	195.64
HFC-134A	Kg	0.52	0.78	1.00	15.00
HFC-404A (We have phased out use of HFC-404A from 2020)	Kg	-	-	-	-
HFC-407C	Kg	23.50	52.90	19.00	80.20
HFC-407F	Kg	7.00	20.65	-	-
HFC-410A	Kg	-	-	-	-
HFC-R32	Kg	-	-	-	-
HFC-452A	Kg	-	-	-	-
Uncontained Spills (hydrocarbon or chemical)	Occurrences	1.00	2.00	-	-

* Scope 1 and Scope 3 redefined in 2023 to consider all emissions related to combustion of MGO in vessel engines as Scope 1. 2020, 2021, and 2022 restatements available in table above

Environmental Improvement Programme

Protecting the marine environment

Cadeler is committed to meeting all environmental regulations for the operation of its vessels in accordance with the laws under which it operates and the Danish Flag State.

Aiming for zero spills

The Company has placed a high priority on ensuring zero spills of hydrocarbons and other toxic substances into the marine environment. Checks are performed to ensure proper storage of chemicals and hydrocarbons on board and that sufficient secondary containment is available. Each vessel carries a shipboard marine pollution emergency plan (SMPEP) and regularly performs ship oil pollution emergency plan drills (SOPEP). Cadeler had one minor spill on a quayside in 2023 (approximately 1 litre). We are uncertain whether any oil entered the water but have decided to categorise this incident a spill to the marine environment for transparency.

Ballast water protocols

To prevent the spread of invasive aquatic species, Cadeler complies with the Ballast Water Management Convention. The vessels have a ballast water management plan, keep a ballast water record book and have an international ballast water management certificate. In 2021, ballast water treatment plants were installed on board, ensuring compliance with the D-2 Ballast Water Performance Standard. All newbuilds will be delivered with ballast water treatment plants. After the incorporation of Eneti into the Cadeler business, Cadeler still maintains a fleet with 100% utilisation of ballast water treatment plants onboard.

Focus on circularity and reducing our consumption of resources

The use of resources and the production of waste across our operations will receive a greater focus, as there is potential for improvement and the Company's stakeholders have highlighted the topic as an important area for improvement.

Overall improvement target

By 2030, Cadeler aims to reduce waste from its own operations by 50%. We intend to achieve this target by avoiding production of waste where possible and improving our rates of recycling and reusing waste.

Waste production and management

Cadeler previously highlighted the use of single-use plastics, as this is a waste category with elevated potential to negatively affect the marine environment. Cadeler will continue its aim to avoid single-use plastics wherever substitutes can be found and will also expand its attention to all categories of waste. Cadeler intends to place a greater focus on reducing the production of waste from its operations and supply chain. Cadeler also intends to put more effort into ensuring the recycling and reuse of waste, wherever possible. Cadeler will consider whether improvements require an update to our garbage management plan during 2024.

Installation of new tap water systems

Cadeler installed new Hatenboer tap water systems onboard Wind Orca and Wind Osprey in 2023. The Company implemented the change with the intention of reducing plastic waste. The system ensures crews and clients have access to fresh drinking water using the vessels potable water system, eliminating the requirement for delivery of fresh water in plastic drums to the vessels.

Environmental Improvement Programme

Continued from previous page

Consider end of life for assets and project equipment

It is important that the Company also find solutions for the eventual recycling and reuse of components from its vessels and the major components used for operations, such as sea fastening. Cadeler will consider whether a second life can be found for any key components and will investigate how it can ensure that eventual recycling of its assets is performed in a responsible manner.

Additionally, as we enter the foundation installation space, on some contracts, Cadeler expects to gain responsibility for the design and delivery of secondary steel structures that serve as the connection point between offshore wind turbines and the monopiles they are installed. We commit to investigating, alongside our clients, how these structures can be designed and delivered with a lower overall environmental footprint.

Sale of O-Class cranes

The disassembled 1200 t cranes of Wind Orca and Wind Osprey got a second life instead of being scrapped. Cadeler signed the sale of both cranes of Wind Orca and Wind Osprey to Hapo International Barges. The sales give the cranes a second life destined to perform heavy load lifting for years to come.

"The sale is one of those absolute win-win situations for both parties. As far as we're informed, this is the first-time cranes from a WTIVs are being sold to fulfil a meaningful second life – a solution that is in line with our target to place greater focus on circularity. We're very appreciative of Hapo International Barges' commitment to expand the lifetime for these great cranes that heroically have served Cadeler and the green transition to renewable wind energy", said Cadeler's CEO Mikkel Gleerup.

- ▶ The cranes are each capable of lifting 1200 t with a boom length of 115 m.
- ▶ The cranes were sold including all spare parts in Cadeler storage in Esbjerg.
- ▶ The new owner is Hapo International Barges, a specialist in providing heavy lift capacity, pontoons, and crane barges around the world.
- ▶ The current plan is that the cranes will be retrofitted to shallow water barges.
- ▶ Significant engineering work is required to fit the new barge concept.
- ▶ The retrofitting process will take approx. 9-12 months.

Environmental Management

Cadeler works to meet the environmental legal requirements of the countries in which it operates. The Company aims to deliver effective monitoring of its impact on the environment, ensuring risks associated with operations are appropriately identified and managed. To sufficiently manage environmental impact, an organisation must consider all environmental issues relevant to its operations, such as air pollution, water pollution, sewage management, waste management, soil contamination, climate change mitigation and adaptation, and resource use and efficiency.

To control and improve environmental performance, Cadeler has a management manual, HSEQ policy and sustainable development policy in place. These documents outline corporate practices for working towards a sustainable future, by maximising positive environmental impacts, minimising negative impacts, and holding ourselves accountable for any damage we may cause. Cadeler's ISO 14001:2015 certified environmental management system establishes the set of formal policies, processes and requirements implemented to minimise environmental impacts from our operations. It covers all Cadeler's vessels, operational sites, offices and activities.

Emissions for scope 1 and 2 activities are tracked and reported annually. Emissions from some scope 3 activities are also tracked and reported annually on a limited basis, and in the coming year, the Company aims to expand its scope 3 reporting towards fully capturing the upstream and downstream impacts related to operations. To report on emissions, Cadeler looks to the GHG Protocol Corporate Standard as its guide. The Company uses the definition of operational control to set our organisational boundary, so Cadeler aims to account for emissions from all facilities and assets where it has authority to introduce and implement operating policies, as scope 1 emissions.

Cadeler has equipment in place on board the vessels for tracking the consumption of fuel, lube oils and other substances that eventually result in the release of CO₂ and other

gases into the atmosphere. The marine gas oil purchased is required to meet the sulphur emission caps in the North Sea and Baltic regions (0.1% concentration). Additionally, NOx emissions from the vessels may not exceed the upper limits set in MARPOL Annex VI.

Cadeler records and manages other impacts related to its offshore operations. The Company monitors consumption of F-gases used as refrigerants. Cadeler also has a water management plan in place, under which consumption of fresh water is tracked and any discharges of ballast water or grey water from the vessels are recorded. Another core part of environmental management on board the vessels is the garbage management plan. Cadeler records its total waste production and ensures segregation of waste onboard so that it can be properly managed when offloaded on the quayside. The vessels also have a shipboard marine pollution emergency plan, which outlines the practices intended to prevent spills into the ocean. It ensures the crews know how to act if any incident should occur and have the necessary clean-up equipment available.

The operation of the vessels is the core source of environmental impact, but Cadeler also records impacts from the onshore segment of the business. Variables tracked include electricity and heat consumption from the offices, fuel and electricity consumption from company cars, freshwater consumption, and emissions from flights booked for business travel.

Looking forward, Cadeler intends to continue taking voluntary steps to improve environmental performance, measure its environmental performance, and report transparently on the Company's impact. Cadeler has designated departments responsible for managing decarbonisation, sustainable development and environmental issues.

Social



Commitment to Health and Safety

Cadeler's number-one priority remains the health and safety of the people on board its vessels and in its offices. The Company continuously works to improve its health and safety processes, ensuring its employees and project partners have a secure workspace. After the incorporation of Eneti into Cadeler, the focus on health and safety is even higher as we aim to ensure the same standards are reached on every vessel in our fleet, that best practices from both sides are implemented, and we speak the same language around safety across the entire organisation. Cadeler believes all employees contribute towards the maintenance of a safe working environment and operates an intervention policy. Every person at a Cadeler work site has the authority and the responsibility to intervene in any job, activity, or scenario, wherever there is a concern for safety.

Cadeler operates with the objectives of ensuring safety at sea, preventing human injury and loss of life, and avoiding negative impacts on the environment. The safety management objectives of Cadeler remain focused on defining safe practices for vessel operations by controlling all identified risks to the Company's ships, personnel, and the environment; and establishing appropriate safeguards.

Cadeler's safety management system promotes safe operations by ensuring compliance with the mandatory rules and regulations of relevant international jurisdictions and flag state legislation. DNV and Lloyds Register have audited and issued certification that Cadeler's systems, processes and operations comply with the requirements of ISO 9001/14001/45001. The relevant flag states, or entities authorised by them, have issued a 'Document of Compliance' that Cadeler operates vessels in compliance with ISM code requirements. Cadeler continues to improve and customise its management system so that it better meets the unique needs of its business, providing operations as a transportation and installation contractor. Since the combination with Eneti in Dec 2023, Cadeler has operated on separate systems, but we are working to integrate the management systems and merge KPI reporting during 2024.



Health, Safety, Environment and Quality (HSEQ): Statistics¹

	2023 ¹	2022	2021	2020	2019
Total person working hours ²	570,700	483,494	459,544	264,672	363,329
Fatalities	0	-	-	-	-
Lost time incidents	1	1	1	-	-
Total recordable cases	1	2	3	1	1
Total recordable case frequency rate (per million hours worked)³	1.75	4.14	6.53	3.78	2.75
Lost time injury frequency rate (per million hours worked)⁴	1.75	2.07	2.18	0.00	-

Cadeler uses two metrics as primary indicators of overall safety performance: total recordable case frequency (TRCF) and lost time injury frequency (LTIF).

¹2023 figures include Eneti performance for the portion of the year after the merger (after 19 December 2023)

²Total person working hours: for office employees, calculated based on monthly hours worked as per contract. For seafarers, calculated as vessel days x 12hrs.

³Total recordable case frequency rate = total recordable cases / total person working hours x 1,000,000.

⁴Lost time injury frequency rate = lost time incidents / total person working hours x 1,000,000.

⁵Statistics cover Cadeler's seafarers and shoreside employees while working at sites for which Cadeler is responsible (in our office, onboard our vessels, on the quayside reserved for our project works).

HSEQ Improvement

Cadeler aims for continuous improvement in its HSEQ performance. This requires a culture of learning both from internal experience and from industry experience. The Company constantly strives to update processes and performance in the areas where it sees the most potential for improving safety.

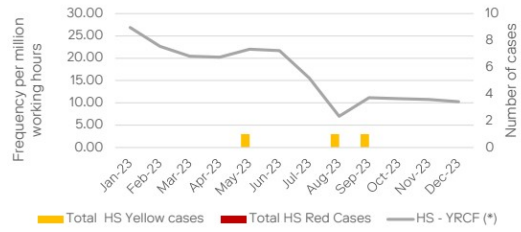
Towards the end of 2022, Cadeler initiated a safety leadership programme focused at further strengthening the safety culture within the Company. This programme was introduced to all seafarers on the O-Class vessels and across relevant departments in February and March 2023, and the programme will be introduced on Wind Scylla and Wind Zaratan in 2024. The safety leadership programme aims at continuous improvement of the core HSEQ controls in the Company, combined with a concept developed to promote employee behaviours and attitudes that lead to improved safety performance. A solid framework to stimulate a strong safety culture is vital as Cadeler grows, and we must ensure we can maintain and improve our safety culture, regardless of how many new colleagues are welcomed to the team.

Cadeler continues to maintain a strong focus on safety observations, both proactive and reactive. The offshore crews have shown excellent initiative make observations related to their working environment, noting risks and suggesting potential improvements. To strengthen the effectiveness of this reporting system, Cadeler presents a monthly safety award, encouraging all employees to report their observations and also increase the quality of their reports. This decision has led to better reporting coverage, including more detailed information. This, in turn, has provided a more solid foundation for reporting KPIs, and has continued to be a successful aspect of our safety culture throughout 2023.

Cadeler continues to track Yellow/Red Case Frequency as a leading indicator, recording occurrences of high-risk situations that either led to incidents or had the potential to lead to incidents. The Company's principle is that focusing on reduction of risky

behaviours and situations will prevent incidents from taking place. Similarly, Quality focused KPI's are intended to be established during 2024, and data will be recorded to track progress of our performance in this area.

Yellow/Red Case Frequency (YRCF):



HSE YRCF definition: Yellow/Red Case Frequency is the number of health, safety and environmental accidents, near misses and observations with a red (high) or yellow (medium) risk potential per million person working hours. The risk potential associated with a case is defined by Cadeler's risk assessment matrix, which accounts for the potential severity of risk.

Cadeler Certifications and Management Systems

Company management system

Cadeler operates on an integrated management system that has combined processes and procedures for the management of safety, environmental, and quality related issues across our operations. The system includes company policies, general operating procedures, definitions of accountability, emergency plans and risk registers. Post integration with Eneti, Cadeler has worked to merge the Company management systems and will continue to do so during 2024.

The Cadeler management system is under continuous improvement, ensuring that all operations are in line with legal requirements, best practices, and stakeholder expectations. All Cadeler's vessels, operational sites, offices, and activities are covered under the management system and are thereby certified under the standards listed to the right.

Company certifications

International Safety Management (ISM)
Certified by DNVGL and Lloyd's Register.

ISO 14001
Certified by DNVGL and Lloyd's Register – assurance of our Company environmental management system.

ISO 9001
Certified by DNVGL and Lloyd's Register – assurance of our Company quality management system.

ISO 45001
Certified by DNVGL and Lloyd's Register – assurance for onshore and offshore sites in addition to ISM.

eCMID certification
The IMCA eCMID system, which provides the marine and offshore industry with a standardised format for vessel inspection, is performed by accredited independent IMCA inspectors. It offers a health check of the safety management system. Cadeler has been inspected annually since 2014.

Workplace Health Programme

Offshore services

All of our vessels are staffed by qualified medics and feature onboard clinics that offer services mandated by the flag state. To ensure the well-being of our offshore employees, a mandatory medical examination is conducted every two years, aligning with industry standards. This precautionary measure aims to mitigate the risk of individuals going offshore if it poses a threat to their own well-being or the well-being of the rest of the crew and the vessel.

In addition to providing onboard health services, Cadeler takes responsibility for promoting a healthy lifestyle while onboard. Our vessels are equipped with gyms, facilitating daily exercise, and full-service canteens that ensure our personnel have access to a varied diet during extended periods at sea.

Onshore offering

Cadeler sustains its health initiative Cadeler Care in a variety of different ways to support both physical and mental health. Onshore employees benefit from an annual health check and the opportunity for a comprehensive medical examination every three years. In our offices, where possible, there is an in-house gym accessible to all employees and fresh fruit is available on a daily basis. Furthermore, Cadeler provides all employees, both onshore and offshore, with a supply of vitamins and minerals to match seasonal needs and the option to receive a flu vaccine at the Company's expense.

First aid training

Offshore personnel are required to participate in recurring trainings on administering first aid. Additionally, office-based employees are offered a first aid course every two years. This commitment ensures that, in the event of a health emergency at any Cadeler worksite, a trained individual in first aid response is readily available.



Cadeler as a Workplace

Cadeler not only prioritises a safe and healthy workspace, but also upholds the responsibility of fostering a positive, flexible work environment for its employees. This is the responsibility of all Cadeler, with the support from two specialised departments: People and Culture and Marine HR. This division is based on the recognition that Cadeler operates in two distinct work environments, onshore and offshore, each with its own set of unique considerations.

Equality, Diversity & Inclusion

One of the ways Cadeler fosters a positive work environment is by being an equal opportunity employer and cultivating a diverse and inclusive environment. Cadeler views diversity not just as a commitment but as a fundamental aspect of its success. The Company actively promotes equality, acknowledging that diversity in race, gender, sexual orientation, religion, age, national origin, and other characteristics contributes to a healthier and more inspiring work environment. Cadeler is unwavering in its commitment to treating all individuals with dignity and respect, fostering a workplace that champions diversity and inclusion while opposing any form of discrimination or harassment.

Employee statistics	2023	2022	2021	2020	2019
Office based employees	113	70	58	42	33
Vessel based employees	182	162	12	-	-
Total employees ¹	295	232	70	42	33

Average number of Cadeler full time equivalent employees for the reporting year. Figures do not include consultants or contractors. Eneti employees, both onshore and offshore, were incorporated by the Company by end of December 2023. Thus, average number of full-time employees as of 2023 reflect the number of employees divided by 12 months. Eneti had 99 onshore full time employees and 181 seafarers by the end of 2023.

In 2023, Cadeler revised its parental care policy for employees based in Denmark to support a healthy life balance and promote equal opportunities for all family structures. Cadeler goes above and beyond the statutory laws and regulations in this respect and offer gender-neutral paid leave and gives additional flexibility to balance life. This policy therefore acknowledges that employees, irrespective of their personal identity and their family-constellation, will have the same rights in terms of parental leave, so everyone can have equal opportunities, flexibility, and support.

Cadeler is dedicated to maintaining its standing as an appealing employer, ensuring fair and market-competitive remuneration for its workforce. The Company adheres to all relevant employment laws and expects the same from the organisations it works with.

Company Growth

Throughout 2023, Cadeler continued to grow as the Company strengthened its teams with additional resources underwent a merger. As Cadeler grows, it continues to value its workforce and understands that any company is only as strong as its people. Cadeler therefore works to safeguard the culture and remains committed to ensuring the right cultural fit of employees while growing.

The Company is continually looking for innovative ways to attract new talent and bring the right people on board. In 2023, Cadeler implemented a new recruitment process to secure a transparent and professional selection of new colleagues and to ensure consistency in the evaluation of candidates.

Additionally, Cadeler invests in the development of its employees. In 2023, many employees have undergone training to enhance their skills, and several leaders and potential leaders have participated in a leadership programme with the intention to build on their leadership competences to foster stronger teams.

Cadeler as a Workplace

Continued from previous page

Collaboration & Involvement

Cadeler encourages high levels of employee involvement and is in continuous dialogue with employees about the future direction of the Company and their individual motivation and development. In 2023, Cadeler implemented a new goal setting framework with a focus on collaboration and involvement, where every employee can see their contribution to the Company.

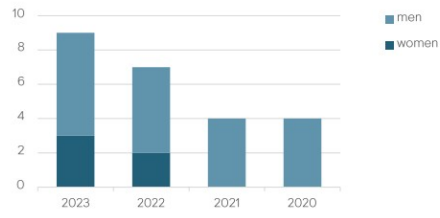
On a social level, Cadeler fosters an environment where employees get to know their colleagues, both on a professional and personal level, by organizing events and activities that bring people together.

Workplace Assessment

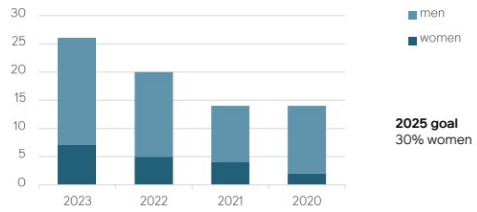
In 2023, Cadeler again performed a workplace assessment (Danish requirement) to engage its employees on how to improve the workplace. Cadeler included Wind Orca and Wind Osprey for the first time and saw high levels of participation and engagement, resulting in action plans made by the crews onboard for resolving some of the items identified.

Charts to the right and on the next page: diversity statistics for employees at Cadeler. Note: all diversity statistics account for the status as of 31 Dec 2023.

Senior Leadership Team/Executive Leadership Team



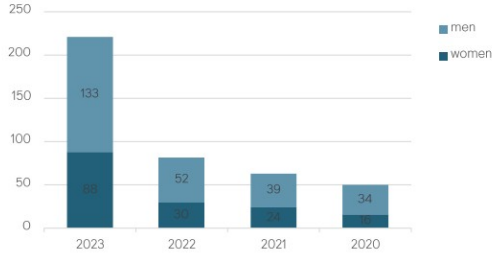
Leadership Positions Onshore





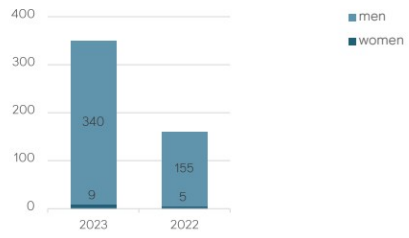
Gender Balance

Onshore - End of 2023



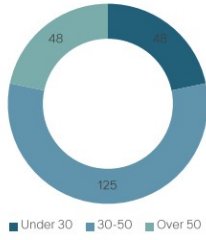
Gender Balance

Offshore - End of 2023



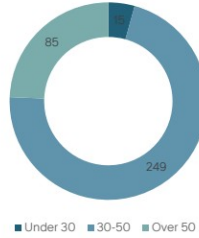
Generational Diversity

Onshore - End of 2023



Generational Diversity

Offshore - End of 2023



Governance



Our Structure and Governance of CSR topics

Cadeler's framework for corporate governance is intended to decrease business risk, maximise value and utilise our resources in an efficient, sustainable manner, for the benefit of shareholders, employees and society at large. Further information on Cadeler's approach to corporate governance is included in the Corporate Governance section of the Management Review.

When it comes to management of CSR topics, some of the responsibilities of Cadeler's Board of Directors are defined in the Corporate Governance Manual. The Board is responsible for ensuring that Cadeler has sound internal control and systems for risk management (including those in respect of corporate values, ethical guidelines, and guidelines for corporate social responsibility) that are appropriate and in proportion to the nature and extent of the Company's activities. The Board must, at a minimum, carry out an annual review on the Company's exposure and control of risks, including CSR topics.

Additionally, the Board is responsible for establishing guidelines for the Company's reporting of information via the Annual Report, including sustainability reporting. The Board ensures this reflects the Company's corporate social governance performance and strategy. The CSR report is issued once per year with the Cadeler Annual Report and covers the period from 1 January to 31 December.

In order to manage CSR-related topics on a day-to-day basis, Cadeler has an HSEQ department responsible for matters related to health and safety, a People and Culture department and a Marine HR department responsible for employment matters, and a Decarbonisation and Sustainability department driving the Company's overall sustainability strategy. A Business Ethics and Legal Compliance Partner joined in Q1 2023. The CEO takes responsibility over important CSR issues and escalates matters to the Board of Directors as necessary.



Responsible Business

Raising concerns

All employees are encouraged to raise concerns wherever they identify activities which are not aligned with Cadeler values and behaviours.

Cadeler encourages employees to raise concerns in the first instance directly to line management. In circumstances where this is not possible or it may be more appropriate to do so due to the nature or seriousness of the concern, confidential reporting (Speak Up) channels are available. These can be used by any person with a relationship to Cadeler (including our suppliers and clients) to raise serious concerns about any suspected violation of the Cadeler Code of Conduct, our policies and procedures or applicable laws and regulations. The reporting channels are supported by procedures that enable concerns to be raised responsibly and securely without fear of adverse consequences. In 2023, Cadeler's Board reviewed and approved updates to these procedures to ensure continued alignment with best practice and legislative requirements. A 'Speak Up' notice is communicated to employees internally and is also publicly available on our website (www.cadeler.com).

Bribery and corruption

Cadeler has a zero tolerance for bribery and corrupt payments in whatever form, whether given or received, directly or indirectly, anywhere in the world. We seek to address the risks of bribery and corruption in our value chain through our Supply Chain Sustainability Code of Conduct, which applies to any suppliers who do work on Cadeler's behalf. The processes and procedures through which Cadeler onboards new suppliers is subject to continuous review and improvement. In 2023 we enhanced our due diligence efforts through the procurement of an electronic due diligence tool to help identify risks associated with financial crime, sanctions, and other responsible business practices within our existing supplier population and as part of the onboarding process for new suppliers. In the coming year, Cadeler intends to integrate this tool to help formalise processes for systematically identifying, assessing, and addressing risks related to responsible business practices in our supply chain.

Fair competition

Cadeler is committed to complying with national and international standards for ensuring fair competition. This includes prohibitions on anti-competitive behaviour (such as price-fixing or the exchange of competitively sensitive information with or between competitors) which may amount to an infringement of applicable competition laws.

Responsible Business

Continued from previous page

Human rights and modern slavery

An important part of Cadeler's commitment to responsible business is respecting human rights in accordance with internationally recognised standards. There is both a business and a moral case for ensuring that human rights principles are upheld during our operations and throughout our value chain. Cadeler recognises that operation of a global business means that some resources and services might be procured from higher risk regions. Cadeler acknowledges the material risk of indirectly contributing to human rights impacts in the supply chain, for example via forced labour or less than fair labour agreements.

For this reason, Cadeler continues to work to identify, prevent and mitigate any risk of adverse human rights impacts resulting from or caused by our business activities. Our approach is informed by the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Cadeler is also a signatory to the UN Global Compact. Cadeler's Human Rights Policy sets out our commitment to respecting the human rights of our employees and those who perform work on behalf of Cadeler and prohibits the use of all forms of modern slavery, forced labour and human trafficking.

In 2023, there were no reported cases concerning potential human rights violations through Cadeler's confidential reporting (Speak Up) channels, or, to the best of Cadeler's knowledge, through other available channels.

Responsible supply chain

Cadeler actively seeks to select and work with suppliers who not only comply with laws and regulations, but go beyond by setting standards that are expected of an industry leader. Cadeler has a strong preference to work with suppliers who share the Cadeler commitment to honesty and integrity and who seek to integrate principles of sustainable development into all areas of their business.

The Cadeler approach is supported by the Company Sustainable Development Policy and Supply Chain Sustainability Code of Conduct. This commits Cadeler to preferring to work with suppliers who share the same standards and promote sustainable development.

Training and engagement

In our 2022 Annual Report, Cadeler committed to ensuring 100% of relevant employees were trained in key responsible business topics, such as anti-bribery and corruption as well as data protection and privacy. In 2023, members of Cadeler's Senior Leadership Team received face-to-face ethics & compliance training on anti-bribery and corruption, data protection and privacy, and competition law. In addition, during the course of 2023, Cadeler's sales teams received tailored face-to-face training on key competition law topics.

Cadeler intends to continue these types of training on a recurring basis for the Senior Leadership Team and other relevant employees.

Responsible Business – Relevant Policies and Procedures

Cadeler's policies outline its social, environmental and corporate responsibilities and establish the key actions that the Company should take to uphold its values and reach its targets. The selection of Company policies highlighted in this section cover the core responsibilities that must be upheld for the Company to operate sustainably.

Unless otherwise noted, all Cadeler policies apply to all offshore and onshore employees and other individuals contracted to work for Cadeler. We also encourage all those we do business with to adhere to similar standards. Cadeler reviews company policies on an annual basis for their level of effectiveness, promoting continuous improvement.

All policy texts are incorporated as part of the Company management manual. Employees can freely access the documents on the Company intranet.

Human Rights Policy

Reference to the Human Rights Policy is made in the Responsible Business section above. Cadeler has a responsibility to respect human rights and contribute to positive impacts for the communities in which it operates. The approach is based on the UN Guiding Principles on Business and Human Rights. Cadeler prohibits all forms of modern slavery and the employment of children under the legal minimum age. Cadeler supports diversity, inclusion and fair compensation.

Health, safety, environment and quality policy

Health & Safety – Cadeler's top priority is the safe execution of all activities. The ultimate goal is zero harm, and we believe that all incidents are preventable and that all people should return home from Cadeler worksites in the same or in a better condition.

Environment – Cadeler strives to minimise its environmental impact, not only looking at the current operations but also at the full asset lifecycle and across its supply chain.

Quality – Cadeler is strongly committed to quality and aims to deliver services that consistently meet or exceed our customers' expectations.

Our approach: Develop, follow and continuously improve our HSEQ processes; use a risk-based approach when conducting our activities; nurture a culture of continuous improvement where we learn from activities, successes, failures, incidents and observations; empower all people to challenge and stop unsafe acts, conditions, and behaviours; prioritise working with contractors and suppliers that have similar HSEQ ambitions and goals to Cadeler.

Sustainable development policy

Cadeler aims to work towards a sustainable future in everything it does and work towards alignment with the UN Sustainable Development Goals. Cadeler commits to reducing the carbon intensity of our operations, improving the energy efficiency of our assets, minimising the use of resources, and working towards a circular economy. Cadeler will provide a working environment that prioritises workers' rights and promotes an atmosphere of equality and respect. The Company will practise good business ethics, ensure safeguards against corruption and other unethical behaviour, and protect internationally proclaimed human rights in its operations and across its supply chains.

Responsible Business – Relevant Policies and Procedures

Continued from previous page

Cadeler Code of Conduct

The Cadeler Code of Conduct outlines the principles and guidelines essential for maintaining ethical business practices and integrity within the organisation. With a commitment to compliance with all applicable laws and regulations, Cadeler emphasises the importance of conducting business with honesty, fairness, and professionalism. This extends to interactions with employees, clients, suppliers, and the communities in which Cadeler operates. The Code establishes clear expectations for Cadeler's employees, officers, and directors to adhere to high standards of business ethics and corporate governance in their day-to-day operations.

Key areas addressed in the Code include conflicts of interest, competition and antitrust laws, anti-bribery and corruption, insider trading, political contributions, and use of company property and information. Cadeler prohibits the acceptance or offering of advantages to influence business dealings, emphasises the importance of observing local laws in all jurisdictions of operation, and outlines procedures for engaging with agents, consultants, and suppliers. Additionally, the Code addresses issues related to procurement, record-keeping, confidentiality, social media usage, privacy, and compliance with trade sanctions and anti-money laundering regulations.

Compliance with the Cadeler Code of Conduct is mandatory, and it is encouraged to raise concerns related to non-compliance through established reporting channels. The organisation underscores its commitment to addressing such concerns promptly and thoroughly, with potential disciplinary action for individuals found to be in breach of the Code. By upholding these standards, Cadeler aims to foster a culture of integrity, respect, and responsibility across its operations.

Supply chain sustainability Code of Conduct

Cadeler actively seeks to select and work with suppliers who not only comply with laws and regulations, but go beyond by setting standards that are expected of industry leaders. We also have a strong preference to work with suppliers who share our commitment to honesty and integrity and who seek to integrate principles of sustainable development into all areas of their business. The Cadeler supply chain sustainability code of conduct sets out our expectations around protection of human rights (including labour rights of the workers in our supply value chain), management of environmental impacts, health and safety standards, and requirements for business ethics and community issues.

More specifically, the document outlines Cadeler's expectations on the following topics: Legal and regulatory compliance; not employing forced labour; not employing under-aged workers; compensation and working hours; non-discrimination and employment rights; requirements for a grievance mechanism that is available to employees, compliance with EU, US, UK, and Norwegian sanctions; requirements for environmental and safety management systems; and finally, agreement to upholding proper business ethics, especially around anti-corruption and anti-bribery practices.

To further reduce any risk of poor practice within the supply chains, Cadeler is strengthening its system for ensuring suppliers comply with its requirements. The Company implemented a process in 2022 that utilises a more structured approach for gathering suppliers' agreements to uphold our policies. It also allows for Cadeler or a third party on its behalf to perform audits of key suppliers, ensuring standards are upheld. Additionally, Cadeler has started including adherence to its supply chain code of conduct as a contractual obligation for suppliers delivering some critical works.

Climate Change Risk Management – TCFD recommended disclosures

Governance

Description of Board's oversight of climate related risks and opportunities.

A review on climate related issues is scheduled at least annually in coordination with the publication of the Company sustainable development report. The Board uses this opportunity to reassess how sustainability is built into the Company's strategy and governance. Other important matters arising throughout the year would be handled on an as needed basis. Any items originating from Cadeler's employees would be introduced to the Board of Directors via the CEO.

Management's role in assessing and managing climate-related risks and opportunities.

As with other organisational risks and opportunities, management is expected to review climate related risks and opportunities on an ongoing basis and push material risks and opportunities forward to the Board.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Emerging Regulations: The Company monitors emerging climate-related regulations, such as EU ETS and EU CSRD, and is preparing for potential impacts and educating relevant teams to manage and mitigate the forecasted impacts.

Technology: Cadeler identifies a significant risk in failing to decarbonise its vessels, considering both competitive and investment perspectives. The Company invests in technological improvements, including shore power, hybrid battery systems, and improved engine efficiency, to meet decarbonisation goals.

Legal: Cadeler complies with Danish, EU, and IMO regulations related to environmental aspects, recognising the risk of fines for non-compliance with environmental requirements for its vessel operations.

Market: Cadeler sees market-related opportunities with the drive towards renewable energy grid at the core of our business strategy, but we are also pay attention to risks such as fluctuating prices, especially in fuel and energy, affecting overall operational costs and the ability to implement renewable or energy-saving technologies.

Reputation: The Company is focused on aligning with its goal to support offshore wind energy development, aiming to avoid economic opportunities in the oil and gas sector for reputational reasons. Cadeler is working on improving sustainability performance and quantifying its impacts.

Physical Risks: Cadeler has initiated its first formal climate risk assessment to identify potential risks to assets, operations, and supply chains. This assessment generally identified low vulnerability to Cadeler's own assets through 2035 and some vulnerabilities in our supply chain due to the risk of severe weather events

Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Climate related opportunities, related to the expectation for increased climate change mitigation activities, have largely driven our development with further investments to support the offshore wind industry.

Climate Change Risk Management – TCFD recommended disclosures

Continued from previous page

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
 Cadeler's risk assessment for its own operations and supply chains considers the RCP 8.5 pathway, considered the worst case scenario developed by IPCC. Our carbon reduction targets aim to meet the requirements of the Paris Agreement, which calls for reduction of 45% by 2030 and net-zero by 2050 in order to keep global warming under 1.5°C.

Risk Management

Describe the organisation's processes for identifying, assessing and managing climate-related risks.

Cadeler has designated resources focused on the issues of decarbonisation and sustainable development, including climate related risks. At the beginning of 2023, the Company had one sustainability manager, but has established a department focused on this type of issue in the course of 2023. The decarbonisation and sustainability team reports into the Senior Leadership Team via the Chief Technical Officer. In 2023, Cadeler initiated a process for identifying climate related physical risks faced by the Company and within its supply chain.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

These processes are currently handled by the decarbonisation and sustainability department with identified risks being escalated to management and board level on an as-necessary basis. In the future, the organisation will benefit from formally integrating management of climate related risks into the Company annual risk management processes.

Metrics and Targets

Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.

Scope 1 and 2 greenhouse gas emissions are measured and reported in terms of carbon dioxide equivalence. The Company currently reports scope 3 emissions on a limited basis and is working to present a fuller picture by publication of the 2024 annual report.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
 Please see page 52

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.
 Please see pages 45-55



Sustainability Accounting Principles

Reporting framework – inspired by GRI standards. The SASB Sustainability Disclosure Topics and Accounting Metrics for Engineering and Construction Services and Marine Transport are covered in Appendices ESG.1 and ESG.2. A GRI Content index is available in Appendix ESG.3. See pages 212-221.

The report covers Cadeler's performance from 1 Jan 2023 until 31 Dec 2023

Boundaries for the scope of this report

Not all indirect impacts of our operations are covered in this report. For safety statistics, the data covers Cadeler employees while at work sites for which Cadeler has responsibility. Safety management and improvement processes are focused on keeping all persons safe while present on a Cadeler-controlled work site. The boundaries placed on environmental impact are as follows: Cadeler considers direct impact from the operation of its vessels and offices, and the use of company cars. The Company considers indirect impact from flights taken by office employees and offshore crew for business purposes, helicopter crew changes, etc. All categories include Eneti data for the few days in 2023 post-merger, but not the period prior to the business combination. Cadeler has not yet accounted for all indirect impact of operations - for example, the environmental impact from our supply chain (i.e. production and transportation of goods and equipment from production sites to our vessels), or the downstream emissions from treatment of waste produced by our operations. The Company intends to begin fuller accounting for indirect scope 3 emissions in by publication of the 2024 report.

Emission conversions and calculations

Scope 1 CO_{2e}

Direct GHG (Kyoto Protocol gases) based on emissions of CO₂, CH₄, and N₂O from combustion of marine gas oil (MGO) in our vessel engines and emissions from company cars.

All emissions from and consumption of lube oils and SF₆, NF₃, HFC and HCFC emissions reported as resulting from scope 1 emissions. Carbon intensity factors extracted from UK Government GHG Conversion Factors for Company Reporting. Cadeler fuel records are verified annually by DNV-GL for IMO DCS reporting.

Scope 2 CO_{2e}

Indirect GHG based on consumed electricity/heat in our offices and electricity consumption for company electric cars. CO_{2e} is considered to be the summation of the CO₂ equivalent emissions for CO₂, CH₄, and N₂O. Carbon intensity (per kWh) is calculated using the emissions data for the Danish electrical grid as published in the annual Environmental Report released by Energinet.dk: <https://energinet.dk/om/publikationer/publikationer/miljoredegorelse-2021/>, Global warming potential for each gas extracted from the US Environmental Protection Agency Website: <https://www.epa.gov/ghgemissions/understanding-global-warming-potentials>.

Scope 3 CO_{2e}

Flight GHG data provided by our travel agency, Marine Travel, based on all flights booked for Cadeler seafarers and office personnel in 2023. Marine Travel uses a conversion factor of 0.00018 tonne CO_{2e}/km for flights < 1,000 km and 0.00011 tonne CO_{2e}/km for flights > 1,000 km. Helicopter crew transfer: fuel consumption per flight (stated by flight provider) x percentage of passengers who are Cadeler crew x CO_{2e} emission factor. Additional, fuller reporting of other Scope 3 emissions to be in place by the publication of our 2024 annual report.

Sustainability Accounting Principles

Continued from previous page

SO_x

We only track SO_x due to marine gas oil combustion. Cadeler uses MGO with a sulphur content of maximum 0.1% of the fuel weight. Conversion figure, from Lloyd's Register Engineering Services (1995), given as 20 x fuel sulphur content (kg/tonne)

NO_x

NO_x is also only tracked due to marine gas oil combustion. Cadeler has updated its method in 2023. We now refer to the EMEP/EEA air pollutant emission inventory guidebook (2019 database) as the updated source of conversion factors for estimating our NO_x emissions. Based on our vessels' Tier II, medium speed engines, we estimate NO_x emissions of 57.9 kg per tonne of MGO combusted.

Particulates

Also updated to use conversion factors from the EMEP/EEA air pollutant emissions inventory guidebook (2019 database). The PM10 emission factor is considered to be 1.07kg/tonne marine gas oil and the PM2.5 emissions factor is considered to be 0.91 kg/tonne marine gas oil.

NMVOCs

Updated to also refer to refer to the EMEP/EEA air pollutant emission inventory guidebook (2019 database). Emission factor considered to be 1.86 kg/tonne MGO.



EU Taxonomy



EU Taxonomy

"The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It could play an important role helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy would provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. In this way, it should create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed." – from the European Commission

Cadeler expects that reporting alignment of economic activities with EU Taxonomy will become a requirement for the Company, based on its profile, from 2024. In late 2022, the Company initiated the process of categorizing its economic activities and ensuring that eligible activities are aligned with EU Taxonomy requirements. Cadeler expects to be able to report on Taxonomy-alignment of its activities in its next annual report. This year, Cadeler still finds value in sharing the Taxonomy-eligibility of its economic activities to give an indication of which proportion of the Company's activities have potential to be aligned.

Cadeler's core purpose of operation is to support installation of offshore renewable energy sources. This activity supports climate change mitigation and can be aligned with the EU Taxonomy when performed in a way that does no significant harm to the other 5 environmental objectives of the Taxonomy and preserves the social minimum safeguards. The majority of the Company's eligible economic activities, relating to installation of offshore wind energy, can be categorised as activity 4.3 – electricity generation from wind power. This activity supports the Taxonomy objective of climate change mitigation.

Do no significant harm (DNSH)

Cadeler is in the process of assessing compliance with the DNSH requirements for climate change mitigation activity 4.3.

Climate Change Adaptation

During 2023, Cadeler performed a risk assessment for the impact of climate change on its assets and key parts of its supply chain, including ports and suppliers of key equipment for our operations. The assessment considered the representative concentration pathway scenario 8.5 (RCP 8.5), considered the worst case scenario as identified by IPCC, but only considered impacts through 2035, with the timespan based on Cadeler's visibility on its scope of operations.

The Company identified risks related to changing wind patterns, precipitation patterns, and flooding that may impact operations and its supply chain. Vulnerability in our own operations was generally judged to be low as our assets are not in fixed locations, but some vulnerability was identified in our supply chains when it comes to delivery of key equipment and services.

Sustainable use and protection of water and marine resources

In the case of construction of offshore wind, the activity cannot hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council, requiring that appropriate measures are taken to prevent or mitigate impacts in relation to the Directive's Descriptor 11 (Noise/Energy). Cadeler is assessing its construction activities and has already highlighted a few measures that mitigate potential impacts. For example, on foundation installation projects, noise mitigation techniques are used to reduce noise pollution escaping into the surrounding marine environment where environmental impact assessments pre-project have identified elevated risk of exposure to marine mammals in the area.

EU Taxonomy

Continued from previous page

Transition to a Circular Economy

The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. Cadeler has a garbage management plan for its vessels and has added a focus on circularity and the reduced use of resources to its sustainability strategy. The Company will assess whether additional initiatives should be established to ensure it does its part in transitioning to a circular economy.

Pollution prevention and control

This category is not applicable for alignment with Taxonomy activity 4.3, but Cadeler operates its vessels in accordance with MARPOL.

Protection and restoration of biodiversity and ecosystems

It is legally required that all offshore windfarms in the EU and UK have an environmental impact assessment performed before the approval for construction is granted. Cadeler doesn't guide the process at the windfarm level, but it does collaborate with its clients concerning operational measures which may address, reduce or mitigate any potentially negative impacts upon biodiversity and the ecosystem.

Minimum Safeguards

Cadeler has a set of policies in place that outline its commitment to protect human rights, prevent corruption, and promote fair competition and taxation. The Company also has a set of processes and procedures that are intended to engrain its policies into the Company's systems and working culture. Over the next year, the Company will continue to evaluate and strengthen its processes and procedures to ensure they are robust enough to guarantee that social minimum safeguards are in place.

Human rights

Cadeler's safeguards include a Human rights policy, a code of conduct, and supply chain code of conduct, and the policy document which outlines the Company's due diligence process and documentation of risk assessments performed. Additionally, the Company has designated responsibility in the area of Human Rights and has a policy for remediation and mitigation of any potential human rights impacts. Finally, Cadeler reports annually on its human rights impacts.

Grievance Mechanisms

Cadeler has a Speak Up hotline in place which is available to our employees and the general public and allows for anonymous contact. The Company also has an operations manual in place for this grievance mechanism.

Consumer Interests

Cadeler operates in accordance with EU requirements.

Anti-Corruption

Cadeler has a code of conduct and relevant policies that informs employees of expected behaviour. The Company also maintains documentation of incidents, conducts internal training, documents risk monitoring processes, has procedures for internal organisational control, and shares necessary information publicly.

Competition

The Company covers this topic in its code of conduct and offers internal training on competition issues.

EU Taxonomy

Continued from previous page

Taxation

Cadeler has a public tax policy which outlines practices and commitment to compliance with tax regulations in all jurisdictions in which it operates.

Taxonomy KPIs

Taxonomy eligibility and alignment is expressed with three KPIs. These are calculated as the portion of turnover, CapEx and OpEx that is Taxonomy-eligible and Taxonomy-aligned.

KPI for Taxonomy-aligned turnover

The proportion of Taxonomy-eligible activities has been calculated as net turnover from products and services associated with Taxonomy-aligned activities divided by total net turnover.

KPI for Taxonomy-aligned CapEx

CapEx is defined as Taxonomy-aligned CapEx divided by total CapEx. The total CapEx consists of additions to tangible and intangible fixed assets before depreciation, amortisation, and any re-measurements. It includes acquisitions of property plant and equipment, intangible assets, leases with usage rights, and investment properties.

KPI for Taxonomy-aligned OpEx

OpEx is defined as Taxonomy-aligned OpEx divided by the total OpEx. However, the EU Taxonomy defines OpEx differently than IFRS as it only considers direct costs for:

- ▶ Research and development, excluding overhead
- ▶ Building renovation
- ▶ Short-term lease agreements
- ▶ Maintenance, upkeep and repairs
- ▶ Any other direct expenditure related to the routine maintenance of tangible assets by the Company or by any third-party to which activities, that are necessary to ensure the continued and effective functioning of such assets, are outsourced.

EU Taxonomy - Turnover

Economic activities	Code(s)	Absolute Turnover 2023 (mEUR)	Proportion of Turnover	Substantial contribution criteria		DNSH criteria ('Do Not Significant Harm')							Taxonomy-aligned proportion of Turnover 2023	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards			
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
4.3 - Electricity generation from wind power	F42.22	0	0%	0%	0%	N	N	N	N	n/a	N	N	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%								0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities)															
4.3 - Electricity generation from wind power		108.6	100%	100%	0%										
Turnover of Taxonomy-eligible but not environmentally sustainable (Not taxonomy-aligned) (A.2)		108.6	100%	100%	0%										
Total (A.1 + A.2)		108.6	100%	100%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
Turnover of Taxonomy-non-eligible activities		0	0%												
Total (A + B)		108.6	100%												

EU Taxonomy – CapEx

Economic activities	Code(s)	Absolute CapEx 2023 (mEUR)	Proportion of Turnover	Substantial contribution criteria		DNSH criteria ('Do Not Significant Harm')							Taxonomy-aligned proportion of CapEx 2023	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards			
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
4.3 - Electricity generation from wind power	F42.2 2	0	0%	0%	0%	N	N	N	N	n/a	N	N	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%								0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities)															
4.3 - Electricity generation from wind power		514.9	100%	100%	0%										
CapEx of Taxonomy-eligible but not environmentally sustainable (Not taxonomy-aligned) (A.2)		514.9	100%	100%	0%										
Total (A.1 + A.2)		514.9	100%	100%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
CapEx of Taxonomy-non-eligible activities		0	0%												
Total (A + B)		514.9	100%												

EU Taxonomy - OpEx

Economic activities	Code(s)	Absolute OpEx 2023 (mEUR)	Proportion of Turnover	Substantial contribution criteria		DNSH criteria ('Do Not Significant Harm')							Taxonomy-aligned proportion of OpEx 2023	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards			
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
4.3 - Electricity generation from wind power	F42.22	0	0%	0%	0%	N	N	N	N	n/a	N	N	0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%								0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities)															
4.3 - Electricity generation from wind power		6.6	10%	100%	0%										
OpEx of Taxonomy-eligible but not environmentally sustainable (Not taxonomy-aligned) (A.2)	F42.22	6.6	10%	100%	0%										
Total (A.1 + A.2)		6.6	10%	100%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
OpEx of Taxonomy-non-eligible activities		59.7	90%												
Total (A + B)		66.3	100%												



Green Finance Report



Cadeler and Green Finance

Green Loan Facilities

Green finance instruments are issued to finance or re-finance eligible green projects, in whole or in part, that promote the transition towards a low-carbon and climate-resilient society.

The green financing is supported by the previously announced updated [Green Finance Framework](#) and a [Second Party Opinion](#) issued by S&P Global re-confirming a Medium Green Rating.

Annual Green Financing Reporting

To keep investors, lenders and other stakeholders informed about the progress of the Green Projects funded by Green Finance Instruments, Cadeler has agreed to publish a Green Finance Report on the Company website, either as a separate document or as information integrated in the Company's annual sustainability reporting. The Green Finance Report includes an Allocation Report and an Impact Report and will be published annually as long as there are Green Finance Instruments outstanding.

At this stage, Cadeler will publish the Green Finance Report as part of the Annual Report. If any change is made to the location of reporting in future years, a statement will be included in the Annual Report.

Impact Reporting

Impact reporting aims to disclose the environmental impact of the Green Projects financed under this Framework, and will, where possible, be measured, otherwise estimated. Impact reporting will, to some extent, be aggregated and depending on data availability, calculations will be made on a best intention basis.

Allocation Reporting

Cadeler will continue to publish an annual allocation report as long as there are green finance instruments outstanding. Cadeler intends to produce an annual statement including the following information: the amounts allocated to each of the Green Project categories and the share of new financing versus refinancing, examples of Green Projects that have been funded by Green Finance Instruments, the nominal amount of Green Finance Instruments outstanding and the split between Green Bonds and Green Loans, and the amount of net proceeds awaiting allocation to Green Projects (if any).

Green Company Financing

In December 2023, Cadeler announced the signing of a EUR 550 million Senior Secured Green Facilities, The "New Debt Facility", with a group of banks led by DNB and supported by Rabobank, Credit Agricole, Danske Bank, Oversea-Chinese Banking Corporation ("OCBC"), Standard Chartered Bank and Société Générale. The purpose of the New Debt Facility is to refinance existing vessels in Cadeler and Eneti following the business combination between the two companies, as previously announced, to finance crane upgrades of Cadeler's two existing O-Class vessels and to fund general corporate and working capital purposes.

The New Debt Facility is made up of two RCFs amounting to EUR 350 million, a EUR 100 million term loan guaranteed by The Danish Export and Investment Fund of Denmark (EIFO) and a EUR 100 million uncommitted Guarantee facility.

In November 2023, Cadeler also entered into an unsecured green loan facility with HSBC, the Holdco Facility. A main purpose of the facility is to fund Cadeler's construction of the P-Class and A-Class newbuild vessels and upgrade of the existing O-Class vessels with new cranes. The financing includes a non-committed accordion option of up to EUR 50 million. This underlines Cadeler's strategic market position.

Green Loan Criteria/Company Eligibility Criteria

	2023
Share of annual revenue from renewable energy projects	100%
Share of annual revenue from new/existing oil and gas installations	0%
Share of CapEx and OpEx aligned with the green project categories of the Green Finance Framework	100%

For Green Company Financings qualifying as Green Finance Instruments, an externally verified Compliance Certificate, outlining alignment with the Green Company Eligibility Criteria will be shared with the relevant lenders.

Company Impact Report – Key Performance Indicators

	Unit	2023
Number of installed offshore wind turbine foundations	number	0
Number of installed offshore wind turbines	number	136
Number of serviced offshore wind turbines	number	20
Installed power generation capacity	MW	1412
Serviced power generation capacity	MW	196.2
GHG emissions and/or fuel consumption from offshore wind installation activities - Scope 1	t CO2e	25479
Scope 1 emissions (tCO2e) per MW installed or serviced	t CO2e/MW	16.1

Green Company Financing

Continued from previous page

In December 2023, Cadeler announced the signing of a Sinosure-backed Senior Secured Green Term Loan Facility of up to EUR 425 million P-Class Facility, with a group of banks led by DNB and supported by Rabobank, Santander, Credit Agricole, CIC, HSBC, KfW-IPEX, OCBC, Sparebank 1 SR-Bank, Standard Chartered Bank and Société Générale. The purpose of the P-Class Facility is to part finance Cadeler's two newbuilds, Wind Peak and Wind Pace, to be delivered in Q3 2024 and Q2 2025.

The P-Class Facility is 90% insured by China Export & Credit Insurance Corporation ("Sinosure") and will be made available in two loans when the newbuilds are delivered from COSCO Shipping (Qidong) Offshore Co. Ltd.

For Green Project Financing, an independent auditor appointed by Cadeler will on an annual basis provide a limited assurance report confirming that an amount equal to the net proceeds from such Green Finance Instruments have been allocated to Green Projects.

Impact Report

The 425 million facility is financing for vessels that are not yet in operation. Once Wind Peak and Wind Pace are in operation, Cadeler will provide a report on the impacts of these specific vessels. Until then, please refer to our impact metrics reported on Company-wide basis on page 84.

Allocation Report

Allocation Project Category

Debt Issue	Issued	Maturity	Proceeds	Proceeds allocated	To be allocated	Allocation Project Category				Project funded
						Installation and maintenance vessels	Key enabling equipment	Weather stations	Waste and wastewater management	
Senior Secured Green Term Loan Facility	22/12/2023	12 yrs	EUR 425m	EUR 425m	EUR 0m	100%				Wind Peak and Wind Pace Newbuilds



Consolidated Financial Statements



Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR'000	Note	2023	2022	2021
Revenue	3	108,622	106,424	60,938
Cost of sales	4	(59,858)	(49,537)	(38,879)
Gross profit		48,764	56,887	22,059
Other operating income and expenses	5	137	-	-
Administrative expenses	4	(34,458)	(15,696)	(10,925)
Operating profit		14,443	41,191	11,134
Finance income	10	1,541	4,031	1,795
Finance costs	10	(4,486)	(9,681)	(5,491)
Profit before income tax		11,498	35,541	7,438
Income tax credit/expense	11	-	-	13
Profit for the period		11,498	35,541	7,451
Profit for the period attributable to:				
Equity holders of the parent	12	11,498	35,541	7,451
		11,498	35,541	7,451
Earnings per share				
Basic, profit/loss for the period attributable to ordinary equity holders of the parent (EUR per share)	12	0.06	0.22	0.06
Diluted, profit/loss for the period attributable to ordinary equity holders of the parent (EUR per share)	12	0.06	0.22	0.06

EUR'000	Note	2023	2022	2021
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		(6,724)	-	-
Cash flow hedges - changes in fair value	25	(18,505)	905	-
Cash flow hedges - interest recycled	25	(776)	438	-
Cash flow hedges - cost of hedging	25	(3,621)	-	-
Other comprehensive income after tax		(29,626)	1,343	-
Total comprehensive income for the period, net of tax		(18,128)	36,884	7,451
Total comprehensive income attributable to:				
Equity holders of the parent	12	(18,128)	36,884	7,451
		(18,128)	36,884	7,451

Consolidated Balance Sheet

EUR'000	Note	2023	2022	2021
Intangible Assets	17	16,947	419	402
Property, plant and equipment	18	1,085,632	606,204	399,087
Rights-of-use assets	19	973	287	464
Leasehold deposits	19	1,220	238	195
Derivative assets	24, 25	338	3,376	-
Total non-current assets		1,105,110	610,524	400,148
Inventories	15	1,836	549	440
Trade receivables	14	30,552	18,235	19,530
Contract assets	14	8,880	19,999	843
Prepayments	16	9,562	1,699	1,497
Current Income tax receivable		12	12	-
Cash and cash equivalents	13	96,608	19,012	2,308
Total current assets		147,450	59,506	24,618
Total assets		1,252,560	670,030	424,766

EUR'000	Note	2023	2022	2021
Share capital	22	41,839	26,575	18,641
Share premium		952,858	509,542	339,400
Reserves		(28,283)	1,343	-
Retained earnings / (Accumulated losses)		(7,373)	3,108	(32,785)
Total equity		959,041	540,568	325,256
Provisions	20	4,813	-	-
Lease liabilities	24	392	-	209
Deferred tax liabilities	11	10,191	-	-
Deferred charter hire income	3	1,778	1,326	969
Debt to credit institutions	26	204,773	114,230	44,476
Derivative liabilities	24, 25	17,957	2,108	-
Total non-current liabilities		239,904	117,664	45,654
Trade and other payables	20	32,636	8,822	9,703
Current provisions	20	2,086	-	-
Payables to related parties	27	162	89	63
Current deferred charter hire income	3	12,103	1,831	15,187
Current lease liabilities	24	601	279	298
Current income tax liabilities		1,224	5	6
Current debt to credit institutions	26	799	772	28,599
Current derivative liabilities	24, 25	4,004	-	-
Total current liabilities		53,615	11,798	53,856
Total liabilities		293,519	129,462	99,510
Total equity and liabilities		1,252,560	670,030	424,766

Consolidated Statement of Changes in Equity

EUR'000			Reserves			(Accumulated losses)/ retained earnings	Total
	Share capital	Share premium	Hedging reserves	Cost of hedging reserves	Foreign currency translation reserve		
2023							
Beginning of financial year	26,575	509,542	1,343	-	-	3,108	540,568
Profit for the year	-	-	-	-	-	11,498	11,498
Other comprehensive income for the year	-	-	(19,281)	(3,621)	(6,724)	-	(29,626)
Total comprehensive profit for the year	-	-	(19,281)	(3,621)	(6,724)	11,498	(18,128)
Registration of new shares in relation to business combination	15,264	450,271	-	-	-	-	465,535
Costs incurred in connection with listing	-	(6,955)	-	-	-	-	(6,955)
Changes from business combination	-	-	-	-	-	(23,113)	(23,113)
Share-based payments	-	-	-	-	-	1,134	1,134
End of financial year	41,839	952,858	(17,938)	(3,621)	(6,724)	(7,373)	959,041
2022							
Beginning of financial year	18,641	339,400	-	-	-	(32,785)	325,256
Profit for the year	-	-	-	-	-	35,541	35,541
Other comprehensive income for the year	-	-	1,343	-	-	-	1,343
Total comprehensive profit for the year	-	-	1,343	-	-	35,541	36,884
Capital increase May 2022	3,518	81,234	-	-	-	-	84,752
Costs incurred in connection with May 2022 capital increase	-	(2,305)	-	-	-	-	(2,305)
Capital increase October 2022	4,416	94,082	-	-	-	-	98,498
Costs incurred in connection with October 2022 capital increase	-	(2,869)	-	-	-	-	(2,869)
Share-based payments	-	-	-	-	-	352	352
End of financial year	26,575	509,542	1,343	-	-	3,108	540,568

Consolidated Statement of Changes in Equity

Continued from previous page

EUR'000	Share capital	Share premium	Reserves			(Accumulated losses)/ retained earnings	Total
			Hedging reserves	Cost of hedging reserves	Foreign currency translation reserve		
2021							
Beginning of financial year	15,557	265,742	-	-	-	(40,236)	241,063
Profit for the year	-	-	-	-	-	7,451	7,451
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive profit for the year	-	-	-	-	-	7,451	7,451
Capital increase April 2021	3,084	76,134	-	-	-	-	79,218
Costs incurred in connection with April 2021 capital increase	-	(2,155)	-	-	-	-	(2,155)
Share-based payments	-	(321)	-	-	-	-	(321)
End of financial year	18,641	339,400	-	-	-	(32,785)	325,256

Consolidated Statement of Cash Flows

EUR'000	Note	2023	2022	2021
Cash flow from operating activities				
Profit for the period		11,498	35,541	7,451
Adjustments for:				
Depreciation and amortisation	4	23,048	22,684	16,479
Impairment of fixed assets	18	5,000	-	-
Interest expenses	10	1,898	923	4,506
Other operating income and expenses, net	5	(137)	-	-
Fair value change of derivatives instruments through profit or loss	10	766	-	-
Share-based payment expenses		1,134	352	(321)
		43,207	59,500	28,115
Changes in working capital:				
Inventories		(1,140)	(109)	(128)
Trade receivables and contract assets		28,541	(18,029)	(9,883)
Trade and other payables		(16,087)	660	2,448
Receivables from related parties		-	-	7,463
Payables to related parties		73	26	(5,319)
Deferred charter hire income		8,787	(12,999)	7,346
Net change in working capital		20,174	(30,451)	1,927
Income tax paid		2	(13)	158
Net cash provided by operating activities		63,383	29,036	30,200

Consolidated Statement of Cash Flows

Continued from previous page

EUR'000	Note	2023	2022	2021
Cash flow from investing activities				
Cash acquired in a business combination, net	6	10,403	-	-
Additions to property, plant and equipment	18	(66,899)	(224,606)	(162,941)
Disposal of property, plant and equipment	18	1,800	-	-
Additions to intangibles	17	(31)	(228)	(434)
Movement to right of use assets		-	(574)	-
Net cash (used in) investing activities		(54,727)	(225,408)	(163,375)
Cash flow from financing activities				
Principal repayment of lease liabilities	24	(569)	(228)	(285)
Interest paid	18	(7,143)	(4,234)	(3,930)
Proceeds from issue of share capital		-	183,250	79,218
Transaction costs on issues of shares		(6,955)	(5,174)	(2,154)
Proceeds from borrowing net of bank fees (of EUR 12 million in 2023 and EUR 2 million in 2022)	24	199,935	113,459	-
Proceeds from overdraft	24	-	16,067	8,998
Repayment of loan	24	(115,000)	(65,000)	(10,000)
Repayment of overdraft	24	-	(25,065)	-
Net cash provided by financing activities		70,268	213,075	71,847
Net increase/(decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of the period	13	19,012	2,308	63,636
Net foreign exchange difference		(1,328)	-	-
Cash and cash equivalents at end of the period		96,608	19,012	2,308



Notes to the Consolidated Financial Statements



Notes to the Consolidated Financial Statements

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Note 1

General Information

Corporate information

Cadeler A/S (the "Company" or the "Group") is incorporated and domiciled in Denmark. The address of its registered office is Kalvebod Brygge 43, DK-1560 Copenhagen, Denmark. The Company is listed on the Oslo Stock Exchange (ticker code: CADLR) and on the New York Stock Exchange (ticker code: CDLR).

The Group is a leading offshore wind farm transportation and installation (T&I) contractor headquartered in Copenhagen, Denmark. The Group owns and operates four offshore jack-up windfarm installation vessels, Wind Orca, Wind Osprey, Wind Scylla and Wind Zaratan. In addition to wind farm installation, these vessels can perform maintenance, construction, decommissioning, and other tasks within the offshore industry.

The consolidated financial statements of the Group is composed of the Financial Statements of Cadeler A/S and its subsidiaries (which are fully owned by the Parent Company Cadeler A/S). For more information on the subsidiaries of Cadeler A/S please refer to Note 28.



Material Accounting Policies Information

2.1. Basis for preparation

The consolidated financial statements included in this Annual Report have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the EU and further requirements in the Danish Financial Statements Act.

The preparation of these consolidated financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the consolidated financial statements are further described in note 2.26.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousands, except when otherwise indicated.

The accounting policies set out in the notes have been applied consistently in the preparation of the consolidated financial statement for all the years presented unless stated otherwise below.

Going concern assessment

The Company's Board of Directors and Executive Directors have at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Thus, the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Principles of consolidation

The consolidated financial statements include the parent company, Cadeler A/S, and all enterprises over which the parent company has control. Control of an enterprise exists when the Company has exposure, or rights to, variable returns from its involvement with the enterprise and has the ability to control those returns through its power over the enterprise. Accordingly, the consolidated financial statements of the Group are composed of the Financial Statements of the Company Cadeler A/S and its subsidiaries (which are fully owned by the Parent Company, Cadeler A/S).

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between group enterprises are eliminated in full on consolidation.

Subsidiaries apply accounting policies in line with the Company's accounting policies. When necessary, adjustments are made to bring the entities' accounting policies in line with those of the Company.

Note 2

Material Accounting Policies Information

Continued from previous page

European Single Electronic Format (ESEF)

As a group with securities listed on a regulated market within the EEA, Cadeler A/S is required to prepare its official Annual Report in the XHTML format and to tag the main consolidated financial statements using Inline eXtensible Business Reporting Language (iXBRL) applying a specific ESEF taxonomy. The annual report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with required technical files, all included in a ZIP file named *cadeler-2023-12-31-en.zip*.

As such, the Annual Report is therefore both human- and machine-readable.

A separate assurance report on the iXBRL tagging of the consolidated financial statements is issued by Cadeler's independent auditors and included on page 201. For general use, a PDF version of the Annual Report is published in line with previous years.

2.2. Changes in accounting policies and disclosures

The Group has adopted standards and interpretations effective as of 1 January 2023. Adoption of new and amended standards and interpretations had no impact on the consolidated financial statements.

IASB has issued a number of new or amended accounting standards (IFRS) and interpretations (IFRIC), such as IAS 12 amendments International Tax Reform, Pillar Two Models Rules. The Group has assessed these accounting standards and interpretations, and does not anticipate the new standards to have any material impact on either the group's figures or disclosures in 2024.

The Group has not early adopted any other standard, interpretation or amendments that have been issued but are not yet effective.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to have a material impact on the Group.

2.3. Revenue recognition

When accounting for revenue recognition, an assessment is performed on a contract-by-contract basis at contract inception.

Overall, the Group's contracts with customers comprise:

- Revenue from time charter contracts and time charter related activities (referred to as time charter revenue) and
- Revenue from transportation and installation (referred to as transportation and installation revenue stream).

The Group's accounting policies for each revenue stream are disclosed below.

2.3.1. Time charter revenue

The Group recognises time charter revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the Group expects to receive in exchange for those goods or services.

Revenue from time charter contracts is generated from two distinct activities: 1) leasing of vessels and 2) provision of services within wind farming projects, e.g. catering and accommodation, mobilisation and demobilisation. As such, a time charter contract consists of a leasing component (the element relating to hire of the vessel) and a service component. The service component is within the scope of IFRS 15, while the leasing component is within the scope of IFRS 16. Refer to Note 2.13 on accounting policy for leases.

Note 2

Material Accounting Policies Information

Continued from previous page

2.3.1.1 Leasing of vessels

The leasing component is recognised as revenue over time over the charter period. Payments from customers for the bareboat hire element are recognised over time in accordance with the length of the customer contract. Prepayments from customers for the leasing component are recognised as deferred charter hire income. Refer to Note 2.2.18 for accounting policy on deferred charter hire income.

2.3.1.2 Provision of services within wind farming projects, e.g. catering and accommodation, mobilisation and demobilisation

To determine revenue recognition for the service component of the time charter arrangements, the Group performs, in line with the requirements of IFRS 15, the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. At contract inception, once the service component within the time charter contract is determined to be within the scope of IFRS 15, the Group assesses the goods and services promised within each contract and identifies as a performance obligation each good or service that is distinct. Revenue is recognised in the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

In respect of time charter service components, the main promises to the customers generally include catering and accommodation, mobilisation, demobilisation and bunker services.

While the contracts contain several promises, these are usually considered highly interdependent and highly interrelated and as such considered as one single performance obligation recognised over time applying a relevant measure of progress. Assessment hereof is performed on a contract-by-contract basis.

Prepayments from customers for which the service component has yet to be provided are recognised as deferred income. Revenue is recognised as the service is being provided, being over the term of the related time charter contract. The Group recognises deferred contract costs for upfront costs of fulfilling a contract.

2.3.2. Time charter related activities

2.3.2.1 Bunker services

The Group is sometimes providing bunker services to help the customers ensure that sufficient bunker is available to operate the vessels at the right time and in the right quality and quantity. As such, for certain projects the Group provides bunker procurement services and assumes responsibility for the logistics and handling of procured bunker.

Management's assessment of whether a principal or agent relationship exists is based upon whether the Group has the ability to control the goods before they are transferred to the customer. This assessment is performed on a contract-by-contract basis at contract inception and takes into account various factors such as whether the Group takes legal title of the bunker and has the ability to direct the use of the bunker.

2.3.2.2 Variable consideration related to time charter related activities

Variable consideration, for example in respect of weather days and extension of time, is constrained at contract inception to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Note 2

Material Accounting Policies Information

Continued from previous page

2.3.3. Transportation & Installation (T&I) revenue

Revenue from T&I consist of installation and transportation of offshore wind turbine foundations, including activities such as heavy lifting operations, decommissioning and planning and engineering.

Revenue from T&I contracts is generated from two distinct activities: 1) leasing of vessels and 2) T&I service components. As such, those contracts consist of a leasing component (the element relating to hire of the vessel) and a service component. The service component is within the scope of IFRS 15, while the leasing component is within the scope of IFRS 16, as described above.

To determine revenue recognition for T&I service components, the Group performs in line with the requirements of IFRS 15 the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognise revenue when (or as) the entity satisfies a performance obligation. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. At contract inception, once the T&I contract is determined to be within the scope of IFRS 15, the Group assesses the goods and services promised within each contract and identifies as a performance obligation each good or service that is distinct. Revenue is recognised in the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

In respect of T&I service components, the following main promises apply:

- Planning and engineering,
- Transport of monopiles and secondary steel from supply port to feeder port,

- Installation of monopiles and secondary steel offshore,
- Storage and handling at feeder port,
- Warranty

While the contracts contain several distinct promises, these are considered less interdependent and interrelated and as such considered multiple performance obligation. Assessment hereof is performed on a contract-by-contract basis.

Revenue is recognised over time as the service is being provided using a cost-to-cost method or straight-line recognition, depending on what better depicts the progress of each separate performance obligation. Prepayments from customers for which the service component has yet to be provided are recognised as deferred income and recognised as revenue over the period during which the services are performed. The Group recognise deferred contract costs for upfront costs of fulfilling a contract.

2.3.3.1 Planning and engineering

The Group provides planning and engineering services to the customer. Such revenue is recognised over time is based upon percentage-of-completion whereby total costs incurred to date are compared with total forecast costs at completion of the planning and engineering services.

2.3.3.3 Transportation of monopiles and secondary steel from supply port to feeder port

The Group is engaged with transportation of monopiles and secondary steel from supply port to feeder port. Such revenue is recognised over time based upon percentage-of-completion whereby total time spend on transportation is compared with total forecast time at completion of the transportation.

Note 2

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2.3.3.3 Storage and handling at feeder port

The Group has been tasked with the storage and handling of the material used in the installation. Such revenue is recognised over time based upon percentage-of-completion whereby total time spend on storage is compared with total forecast time at completion of the storage.

2.3.3.4 Installation of monopiles and secondary steel offshore

The Group has been tasked with the installation of the monopiles and secondary steel offshore. Such revenue is recognised over time based upon percentage-of-completion whereby total costs incurred to date are compared with total forecast costs at completion of the planning and engineering services.

2.3.3.5 Warranty obligations

The Group provides warranties for the repair of defects which are identified during the contract and within a defined period thereafter. All are assurance-type warranties, as defined within IFRS 15, which the Group recognises under IAS 37. The Group does not have any contractual obligations for service-type warranties.

2.3.3.6 Variable consideration related to installation and transportation activities

Variable consideration, for example in respect of steel prices, bunker prices etc., is constrained at contract inception to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2.4. Cost of sales and administrative expenses

Cost of sales consists of expenses directly attributable to the Group's core activities, including seafarers payroll, vessel depreciation, and the operation and maintenance of vessels.

Administrative expenses, which include administrative staff costs, share-based compensation, management costs, office expenses, business combination transaction costs and other administration related expenses, are expensed as they are incurred

2.5. Other operating income and expenses

Other operating income and expenses, include transactions not related to the operations of the Group, like, gains and losses on sale of non-current assets, and is generally recognised when it is probable that the benefits and losses associated with the transaction will flow to the Company and if the significant risks and rewards have been transferred to the buyer (generally when the transaction is finalised).

2.6. Business combinations and Goodwill

2.6.1. Business combinations

Acquired businesses are recognised using the acquisition method.

Assets, liabilities, and contingent liabilities of the acquired businesses are measured at fair value at the acquisition date. The fair values of vessels included in property, plant and equipment are determined using broker valuations. The fair values of other assets and liabilities are valued using the approach assessed to be most relevant for the individual item, which can be either a market approach, an income approach, a cost approach or a combination of methods.

Note 2

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The purchase price comprises the fair value of the consideration payable/receivable. This includes the fair value of the consideration already paid/received including the shares issued, deferred consideration and contingent consideration. The purchase price is allocated to the identified assets, liabilities and contingent liabilities (net assets) based on their fair values at the acquisition date and any excess of the purchase price over the net assets is recognised in the balance sheet as goodwill within intangible assets. In the event the purchase price is lower than the net assets, the difference is recognised in the income statement (a gain from a bargain purchase).

2.6.2. Goodwill

Goodwill arises from business combinations and is determined as the excess of the purchase price over the fair value of the net assets acquired, including contingent liabilities. Goodwill is allocated to the cash generating unit as determined by Management. Goodwill is not amortised but is tested for impairment at least once a year or sooner if impairment indication arises.

2.7. Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Employee compensations include wages and salaries, including compensated absence and pensions, as well as other social security contributions made to the entity's employees or public & government authorities. The item is net of support schemes made by public & government authorities.

2.8. Financial income and expense

Finance income and expenses comprise interest income and expenses and realised and unrealised exchange rate gains and losses on transactions denominated in foreign currencies as well as fair value adjustments related to the ineffective part of the financial instruments.

Interest income and interest expenses are stated on an accrual basis using the principal and the effective interest rate. The effective interest rate is the discount rate that is used to discount expected future cash payments or receipts through the expected life of the financial asset or financial liability to the amortised cost (the carrying value) of such asset or liability.

2.9. Borrowing costs

Borrowing costs are capitalised in accordance with IAS 23, where borrowing costs directly attributable to the construction of assets are capitalised until such a time as the asset is substantially ready for its intended use. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds, including fees for guarantees provided by related parties.

2.10. Taxes

2.10.1. Pillar Two Tax Effects

In October 2021, more than 130 countries agreed on a two-pillar approach to reform the international tax system. The so-called Pillar Two rules are designed to compel multinational corporations with EUR 750 million or more in annual revenue to pay a minimum effective corporate tax rate of 15% on income received in each jurisdiction in which they operate.

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The principal jurisdictions in which the Group may be exposed to additional taxation as a result of the Pillar Two rules include Denmark and the United Kingdom (each of which has enacted legislation implementing the Pillar Two rules), as well as Cyprus (where public consultation on draft legislation is ongoing). In light of the Group's total revenue, at 31 December 2023, the Group does not expect to be in scope of the Pillar Two rules in 2024.

The Group is actively assessing the potential future impact of the Pillar Two rules on the Group's business. It is the Group's initial assessment that a portion of its revenues in each of the relevant jurisdictions will be subject to top-up tax under the Pillar Two rules as shipping income, which is generally excluded from the computation of income under Pillar Two. Certain other exclusions may also be applicable and the Group's analysis of such exclusions is ongoing.

2.10.2. Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or

liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.10.3. Tonnage tax

Under the scheme, ship-owners (or bareboat charterers) pay a fixed tax amount per net tonne at their disposal rather than paying taxes based on income, expenses, and depreciation. The Company participates in the Danish scheme from 27 November 2020.

As the vessels are owned and registered by subsidiaries in jurisdictions different than Denmark, the Group is also subject to tonnage taxation in such jurisdictions. This tonnage taxation income is calculated based on a fixed tax amount per tonne.

This scheme is on a notional income derived from tonnage capacity and not based on the entities' actual income and expenses, the Group does not consider the scheme to fall under the rules of IAS 12. Consequently, the tonnage tax expenses are not presented as part of tax expense in the statement of profit and loss, but are recognised under costs of sales.

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2.11. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory mainly covers fuel and oil.

2.12. Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

To keep performing their operational activity, the vessels have an obligation to go through drydock procedures every five years. The costs of the drydock procedures are capitalised per their purchase price and any costs that are directly attributable to bringing the vessels to the location and condition necessary for the drydock procedures.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the assets' estimated useful life. The estimated useful life is as follows:

	Useful life
Vessels and furnished equipment	Up to 25 years
Drydock	5 years
Cars	5 years
Other fixtures and fittings	2 to 3 years

The estimated useful life of the vessels of 25 years has been estimated by an external consultant through a determined fatigue analysis based on the technical specification of the vessels. Prior to their acquisition, the vessels had already been in use for 8 years, therefore the remaining useful life of the vessels is estimated at 17 years for all components except jacking system and main crane with a remaining useful life of 3 years from the acquisition of the vessels. Hull and steel have a salvage value of EUR 10 million per vessel by the end of their useful life. Depreciation is based on costs less the estimated residual value. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the scrap value per ton.

More information can be found in Material accounting judgements, estimates and assumptions section with regards of acquired vessels through the business combination.

The residual value, useful life, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted accordingly, if appropriate.

Note 2

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2.13. Leases

When the Group is the lessor

Lessor – operating leases

The Group leases vessels (the bareboat element relating to hire of the vessel as part of the time charter contracts) under operating leases to non-related parties. This is classified as an operational lease, as such leases do not cover a significant part of the economic life of the vessels and the Group retains substantially all risks and rewards incidental to ownership of the vessels. Rental income from operating leases is recognised in profit or loss on an over time basis over the charter period and included in revenue as stated in Material Accounting Policies section under 2.3.1.1.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are capitalised and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

a. Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities using an incremental borrowing rate adjusted for any lease payments made at or before the commencement date and lease

incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use assets are depreciated on a straight-line basis lease term.

b. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Utilisation lease fees can be classified as a variable fee.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value-leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term. Short-term and low-value leases consists of cars, coffee machines, office premises and AV equipment.

2.14. Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment at least once a year or sooner if impairment indication arises. Impairment testing is performed for each cash-generating unit to which goodwill is allocated, as determined by Management.

If the carrying amount of intangible assets exceeds the recoverable, an impairment loss is recognised in profit or loss. Goodwill impairment losses are not subsequently reversed.

Property, plant and equipment and right-of-use-assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.15. Financial assets

The classification of financial assets depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Note 2

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The Group reclassifies financial assets when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Financial assets

Financial assets of the Group mainly comprise of cash and bank balances, trade receivables and other current assets.

Interest income from these financial assets are recognised using the effective interest rate method.

The Group assesses on forward looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For trade and other receivables, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.16. Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

2.17. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.18. Deferred income

Time charter revenue received in advance and reservation fees are deferred and recognised as current liabilities if the service is due within one year or less. Otherwise, they are presented as non-current liabilities. Deferred charter hire income is recognised as revenue in profit or loss over time over the period during which the related service is performed.

2.19. Financial liabilities

Debt to credit institutions etc. is recognised at the time of borrowing at fair value after deduction of transaction costs incurred. Subsequently, the financial liabilities are measured at amortised cost using the "effective interest method", so that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the loan period.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts of the asset and the liability is recognised in the statement of profit and loss.

2.20. Derivatives and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value over profit and loss. Derivatives are carried as financial assets, presented under derivatives assets, when the fair value is positive and as financial liabilities, presented under derivatives liabilities, when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge.

Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in other comprehensive income and presented under "Hedging reserves" (equity). Where the expected future transactions results in the acquisition of non-financial assets, any amounts deferred under equity are transferred from equity to the cost of the asset. Where expected future transaction results in income or expense, amount deferred under equity are transferred from equity to the income statement in the same item as the hedged transaction as a reclassification adjustment. Further, the entity may transfer the cumulative fair value change recognised within equity upon derecognition of the hedged item. Borrowing facilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is

replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

Changes in the fair value of derivative financial instruments not designated as hedges are recognised in the income statement. Certain borrowing facilities when undrawn do not qualify for hedge accounting. Changes in fair value of these derivative financial instruments are therefore recognised in the income statement under "Financial income" or "Financial expenses" for interest rate swaps.

The amount included in the hedging reserve is the lower of, in absolute amounts, of the cumulative fair value adjustment of the hedging instrument and the hedged item. Ineffectiveness is recognised in the consolidated statement of profit and loss. Further, in case any modifications occur in the hedged risk, the Group will conduct a comprehensive review and assessment of the hedge relationship. In a recent evaluation, adjustments in debt were carefully assessed in accordance with hedge accounting standards, resulting in no material changes or implications on hedge accounting.

2.21. Share capital

Ordinary shares are classified as equity. When there is a capital increase through the issuance of new shares, these shares are recorded at their nominal value.

2.22. Share premium reserve and retained earnings

Capital increase is categorised as equity. Share premium reserve signifies the capital contributed by investors exceeding the nominal value of the shares issued, net of any incremental costs directly associated with the issuance of new shares. Retained earnings include results from previous periods, changes to equity arising from business combination purchase price, and share-based payments.

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2.23. Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expenses, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share in a loss situation only if loss per share decreases.

2.24. Currency translation

The financial statements are presented in Euro (EUR), which is also the functional currency of the Parent Company. For each entity in the Group, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in a currency other than the EUR ("foreign currency") are translated into EUR using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within finance income or finance expenses.

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On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.25. Cash flow statement

Statement of cash flows

The statement of cash flows shows the Group's cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Positive amounts indicate cash inflows, whereas negative amounts indicate cash outflows.

Cash flows from operating activities

Cash flows from operating activities are stated as the profit/loss for the year adjusted for non-cash operating items such as depreciation, changes in working capital and income tax paid or received. Working capital includes current assets less current liabilities, excluding cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from the acquisition and sale of non-current assets and businesses.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from instalments on lease liabilities, and interest paid as well as proceeds from issue of shares and debt as well as prepayment of borrowings.

2.26. Material accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimates

Useful life of vessels

The estimation made regarding the duration of the useful life of the vessels has been based on, among other things, an analysis made by an external expert. The determined fatigue analysis is based on the technical specification of the wind turbine installation vessels ("WTIV") and comparable vessels, the useful life of the vessels is estimated at 25 years.

Note 2

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In 2020, the Group acquired two vessels which had already been in use for 8 years. Therefore, the remaining useful life of these vessels is estimated at 17 years for all components except the jacking system and main crane. These components have a remaining useful life of 3 years from the acquisition of the vessels. In the current year, the main crane of these vessels is undergoing an upgrade. The old main crane has been disposed of, and the new main crane is expected to be activated in the new year, matching the remaining useful life of the vessels.

In 2023, as part of the business combination, the Group acquired two additional vessels. One of these vessels was delivered in 2015 and the other in 2012. Similar to the vessels acquired in 2020, the estimated useful life of these vessels, 25 years when first acquired, depend on initial delivery. Therefore its useful life is 17 and 14 years, and all components will have the same useful life. The depreciation will be calculated over the remaining useful life of these vessels.

The residual value, useful life, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted accordingly, if appropriate.

Impairment of non-financial assets

Management is responsible for the identification of internal and external indicators of impairment related to non-financial assets. If indicators of impairment are identified, an impairment test must be performed.

Impairment exists when the carrying value of an asset including right-of-use assets or CGU exceeds its recoverable amount, which is the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available sales transactions conducted at arm's length terms, if available. The value in use calculation is based on a DCF model. The cash flows are derived from the budget

and the most recent project pipeline. These cash flows do not include restructuring activities or significant future investments which will enhance the performance of the assets or CGU being tested.

The recoverable amount is sensitive to the discount rate used in the DCF model as well as future cash in-flows and growth rate assumptions, for further information please refer to Note 18.

Purchase price allocation

In the application of the acquisition method, estimates play a pivotal role in determining the fair values of acquired assets and assumed liabilities, given the absence of observable market prices. Valuation techniques primarily involve assessing the present value of uncertain future cash flows or events at the acquisition date, with more significant estimates typically applied to property, plant, and equipment. Due to inherent uncertainties in fair value estimation, adjustments during the measurement period may be necessary. Valuation techniques considered include market-based, income-based, and cost-based methodologies, prioritised in that order. Key assumptions, such as the remaining useful life of vessels, inflation, utilisation rates, and day rates, are integral to these methodologies.

Judgements

Identification of CGU for the purpose of goodwill impairment

For the purpose of testing the Group's vessels the impairment test is performed on a vessel-by-vessel basis.

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For the purpose of testing goodwill for impairment, management has assessed that Cadeler has two cash generating units (CGUs), being

- the transport and installation of offshore wind turbine generators and foundations installation vessels (WTGFIV) and
- the maintenance of offshore wind turbine generators (O&MV)

The WTGFIV CGU is comprised of Cadeler's O-class vessels and Scylla, which are largely interchangeable, and the cash flows generated by them are interdependent. These vessels are operated collectively, employed interchangeably, and actively managed to meet the needs of our customers in that market. Given the technical specifications of vessels, the WTGFIV vessels are relatively homogenous with a very high degree of interoperability. The O&MV CGU is comprised of the vessel Zaratan which has different specifications, has independent and separable cash flows from the other vessels.

Revenue recognition

Judgement is performed when determining if a contract contains one or more performance obligations. Judgements is performed as complexities arise when several types of customer contracts are bundled.

Evaluating the criteria for revenue recognition requires management's judgement to assess and identify performance obligations within the contract. This includes assessing the nature of performance obligations and whether they are distinct or should be combined with other performance obligations to determine whether the performance obligations are satisfied over time or at a point in time.

In contracts where many activities are bundled judgement is applied in the determination of the most adequate recognition method and the most adequate measure of progress.

Both of the judgements have a primary impact on the timing and amount of revenue to be recognised.

Evaluating the criteria for revenue recognition with contract with customer requires Management's judgement to assess and determine the following:

- Identification of performance obligations within the contract. This includes assessing the nature of performance obligations and whether they are distinct or should be combined with other performance obligations to determine whether the performance obligations are satisfied over time or at a point in time.
- Determine the transaction price, including an assessment of variable consideration in the contract.
- In contract where many performance obligation are bundled, the allocation of transaction price to performance obligations to determine the stand-alone selling price of each performance obligation identified in the contract using key assumptions which may include observable market and expected margin in the activities.

Macroeconomic factors and climate risks

As part of our commitment to transparency and thorough risk management, Cadeler recognises the significance of macroeconomic factors and climate risks in our financial evaluations. In navigating an ever-evolving operational landscape, we acknowledge the importance of factoring in these elements when assessing the useful lives of assets, determining residual values, and conducting Discounted Cash Flow (DCF) analyses for impairment assessments. Management does not currently consider climate risks to have a material effect on the accounting estimates and judgements for the 2023 consolidate and parent company financial statements.

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Cadeler's strategic investments in offshore wind assets are in line with our dedication to sustainability and our contribution to progressing towards a climate-neutral future. We comprehend the potential impact of climate-related considerations on our operations, including vulnerabilities within our supply chain due to severe weather events. Furthermore, we acknowledge the uncertainties in macroeconomic conditions arising from global economic growth rates, political dynamics within the energy sector, currency fluctuations, interest rates, and inflation. Additionally, geopolitical tensions introduce further complexities that may influence market prospects and pose risks to our operations, particularly in relation to cyber threats to energy supply.

Through diligent assessment and ongoing review processes, Cadeler remains vigilant in integrating these factors into our financial evaluations. We are committed to ensuring that our accounting policies reflect a comprehensive understanding of both macroeconomic factors and climate risks, thereby enhancing the robustness of our impairment analyses and financial reporting practices.

Note 3

Revenue

Disaggregation of revenue from contracts with customers by activity

The following table provides information about disaggregated revenue.

EUR'000	2023	2022	2021
Revenue disaggregation			
Time charter services and transportation and installation services	99,841	104,578	56,449
Other revenue, including fees earned for early termination by customers of contracts	8,781	1,846	4,489
Total revenue	108,622	106,424	60,938

For the year ended 31 December 2023, lease component, included within time charter services and transportation and installation, amounts to EUR 79 million (2022: EUR 91 million; 2021: EUR 43 million).

Time charter and time charter related revenue

Revenues are recognised over time. Revenue from time charter hire services are contracts with customers where the Group utilises its vessels, equipment and crew to deliver a service to the customer based on either a fixed day rate or milestone deliverables. Contracts may also include other promises such as mobilisation and demobilisation, catering and accommodation.

Transportation and installation revenue

Revenue from Transportation and installation are contracts with customers where the Group utilises its vessels, equipment and crew to perform the transportation and installation of offshore wind turbine foundations as well as heavy lifting operations, decommissioning and planning and engineering.

Revenue from transportation and installation activities may, depending on the contract, represent one or more performance obligations.

Usually a fixed price milestone payment schedule will be agreed upon. The transaction price may include variable elements, such as related to fuel, commodities, etc. Payment terms with customers are considered industry standard and do not include a significant financing component. To the extent possible we obtain payment guarantees to minimise the credit risk during the contract term.

Note 3

Revenue

Continued from previous page

Lease and non-lease components of revenue

Revenue from time charter and T&I services include both a lease component (use of the vessels) and a service component. These components are not treated or priced separately in the contracts, nor does the Group offer either of the services separately.

The service component of time charter contracts is primarily derived from crewing costs with a markup, where the residual is deemed to be the lease component.

Contract assets and liabilities

Customers are typically invoiced on a monthly basis, when the vessels are on contract. Sometimes contracts will accrue revenue for work performed and it will be reported as contract asset until it is invoiced. For more information about contract assets at the reporting period, refer to Note 14.

The contract liabilities relate to consideration received from customers for the unsatisfied performance obligation in the charter contracts. Revenue will be recognised when the related services are provided to the customers.

EUR'000	2023	2022	2021
Beginning of financial year	3,157	16,156	8,810
Acquisition of businesses	1,913	-	-
Deferred during the year	10,670	2,857	9,097
Recognised as revenue during the year	(1,859)	(15,856)	(1,751)
Total liabilities at end of period	13,881	3,157	16,156

Major customers

For the year ended 31 December 2023, revenue with three customers each exceeded 10% of total revenue. The revenue derived from these three customers was EUR 44.5 million, EUR 28.5 and EUR 22.7 million respectively.

For the year ended 31 December 2022, revenue with two customers each exceeded 10% of total revenue. The revenue derived from these two customers was EUR 52.4 million and EUR 53.2 million respectively.

Note 3

Revenue

Continued from previous page

For the year ended 31 December 2021, revenue with two customers also each exceeded 10% of total revenue. The revenue derived from these two customers was EUR 24.6 million and EUR 29.1 million respectively.

Operating segments and geographical information

The Group operates four windfarm installation vessels, which are viewed as one segment. The vessels operate in a global market and are often redeployed to different regions due to changing customers or contracts. Accordingly, we report our operations as a single reportable segment.

Contract backlog

The Group's order backlog as of the reported date amount to EUR 1,557 million (2022: EUR 780 million; 2021: EUR 409). The table below includes announced contracts as of 31 December. EUR 192 million of the backlog pertains to contracts that management expect to recognise in 2024.

EUR million	2023	2022 ²	2021 ³
Contract backlog as of 31 December¹			
Within one year	192	84	110
After one year	1,365	696	299
Total	1,557	780	409

¹ Contract backlog (excluding bunker) is split between, EUR 1,379 million firm and EUR 178 million options.

² Contract backlog (excluding bunker) for 2022 was split between, EUR 653 million firm and EUR 127 million options and for 2021, EUR 351 million firm and EUR 58 million options.



Note 4

Expenses by Nature

EUR'000	Note	2023	2022	2021
Cost of sales				
Right of use asset depreciation	19	30	-	-
Insurance		1,573	1,933	1,772
Vessel depreciation	18	22,484	21,664	16,077
Impairment of property, plant and equipment	18	5,000	-	-
Crewing costs paid to a related party and an external party	27	-	61	11,517
Seafarer payroll	7	15,921	13,089	1,159
Fuel and oil		711	1,113	892
Maintenance		5,121	4,039	2,305
Messing costs		1,448	1,428	1,224
Seafarer travel		2,835	2,589	1,876
Specific charter costs		4,052	2,623	1,239
Utilities		389	689	541
Other operating expenses		294	309	260
Tonnage tax		-	-	17
Total cost of sales		59,858	49,537	38,879

EUR'000	Note	2023	2022	2021
Administrative expenses				
Depreciation and amortisation	17, 18, 19	534	1,020	414
Employee compensation	7	18,889	9,905	7,603
Repair and maintenance expenses		1,123	796	161
Legal and professional fees		2,122	1,047	564
Transaction costs	6	7,707	-	-
Rental expenses		751	582	584
Travel expense		985	612	305
Management fees to related party	27	-	-	115
Marketing and entertainment expenses		602	788	159
Other expenses		1,745	946	1,020
Total administrative expenses		34,458	15,696	10,925

Note 4

Expenses by Nature

Continued from previous page

Auditor remuneration

Administrative expenses include fees to the auditors appointed by the shareholder at the Annual General Meeting:

EUR'000	2023	2022	2021
Statutory audit	474	125	92
Other assurance services	1,608	-	8
Tax services	2	105	50
Other services	606	51	14
Total	2,690	281	164

Statutory audit services consist of fees for professional services rendered by EY for the audit of our annual consolidated financial statements and services that are provided by the auditor in connection with statutory audit.

Other assurance services including PCAOB re-audits and assurance reports in respect of pro-forma financial information in connection with regulatory filings, and review of interim financial information.

Tax services consists of Tax compliance services.

Other services consists of services provided for other permitted services, including fees for work performed in connection with the U.S. listing in December 2023.





Note 5

Other Operating Income and Expenses

EUR'000	2023	2022	2021
Other operating income	3,000	-	-
Other operating expenses	(2,863)	-	-
Net other operating income and expenses	137	-	-

Other operating income and expenses includes the net gain from the sale of the main cranes and spare parts of both O-class vessels.

The contract agreement signed for the sale of both main cranes states a purchase price of EUR 1.5 million for each main crane. In the case of Wind Orca, the book value of the main crane had been written down, reflecting the value that was expected from the disposal of the assets. Thus, an impairment loss of EUR 5 million was reflected in the profit and loss. The Osprey main crane had been kept at its carrying amount since there was a gain from the disposal. The sale of both main cranes is driven by the main crane upgrades to the O-Class vessels.

Note 6

Business combination

On 19 December 2023, Cadeler acquired 86.39% of shares in Eneti Inc. via a share exchange offer. The remaining shares were acquired through a squeeze-out merger on 29 December 2023.

About Eneti

Eneti Inc. has been listed for trading on the NYSE since 12 December 2013 and was an international shipping company focused on serving the offshore wind and marine-based renewable energy industry by providing installation and maintenance services through the operation WTIVs. WTIVs are vessels specifically designed for the transport and installation of offshore wind turbines, which are power generating devices driven by the kinetic energy of the wind near-shore or further offshore on coastlines for commercial electricity generation, onto pre-prepared foundations. Eneti operated its marine energy business internationally, primarily in Europe and Asia. Eneti generated revenues of USD 141 million in 2023 with close to 300 employees.

Strategic rationale and synergies

The business combination with Eneti has to combine two leading offshore wind companies. The combination represents a significant step up in the ability to meet the increased demand globally for larger and more complex projects. Cadeler and Eneti are a strong match with many potential synergies as a result of similarities in business models, services and strategies. Additionally, scale remains one of the key competitive advantages in the offshore installation market with significant expected operational and commercial benefits driven by an increase in scale, a complementary fleet, and deep industry relationships, to support the needed green transition.

Consideration transferred

The consideration transferred for the shares in Eneti has been made in Cadeler shares by offering 3,409 ordinary Cadeler shares for one Eneti share. A total of 113,809,868 Cadeler shares have been exchanged, in return of 86% ownership of Eneti, at a fair value of EUR 441.2 million based on the acquisition date share closing price of NOK 44.10 on the Oslo Stock Exchange. In addition, in order to acquire shares not tendered, a squeeze out merger payment of EUR 54.7 million has been settled in cash, in return of 14% ownership of Eneti. Furthermore, an Eneti financing arrangement was settled by Cadeler immediately prior to closing. The payment made by Cadeler of EUR 40.9m, has been adjusted in the transaction price. The total consideration transferred amounts to EUR 536.9 million. Adjusted for the fair value of cash and cash equivalents acquired and non-cash consideration, the net cash purchase price received amounts to EUR 10.4 million.

Earnings impact

The acquisition of Eneti has contributed revenues of approximately EUR 3.4 million and net loss of approximately EUR (1.1) million to the Group for the period 19 December to 31 December 2023.

If the acquisition had occurred on 1 January 2023, the consolidated pro forma revenue and net loss of the combined Group for the year ended 31 December 2023 would have been approximately EUR 234 million and EUR (92) million, respectively.

Note 6

Business combination

Continued from previous page

Transaction costs

Total transaction costs recognised amount to EUR 14.7 million, of which EUR 7.7 million have been recognised as Administrative expenses in the Consolidated Statement of Profit and Loss and EUR 7.0 million recognised in Equity in the Consolidated Balance Sheet in relation to issuing of Cadeler shares issued for settling the share-for-share exchange offer.

Fair value of acquired net assets and recognised goodwill

As the closing of the acquisition was 19 December 2023, the acquisition accounting for the Eneti acquisition is ongoing, thus net assets, goodwill and contingent assets and liabilities recognised at the reporting date are to some extent still provisional. Adjustments may be applied to these amounts for a period of up to twelve months from the acquisition date in accordance with IFRS 3 (revised). Goodwill arising from the acquisition has not yet been allocated to the cash generating unit.

Goodwill recognised mainly relates to the operational efficiencies and expected synergies from the integration of Eneti into the Cadeler Group. Recognised goodwill is non-deductible for tax purposes.

Fair value measurement

Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

Property, plant and equipment

Fair value of property, plant and equipment relating to mainly vessels is measured based on external market valuations at the time of the acquisition carried out by professional appraisers, substantiated by an income approach, based on the present values of the expected cash flows.

Receivables

The fair value of acquired trade and other receivables and contract assets amounts to EUR 29.4 million. Collectability of receivables has been assessed and no adjustments to the contractual cash flows have been made. As such, it is expected that contractual amounts can be collected.

Note 6

Business combination

Continued from previous page

The provisional fair value of identified net assets and goodwill recognised comprises as follows:

Fair value of assets acquired and liabilities assumed

	19 December 2023
EUR'000	
Vessels including dry docks	296,707
Vessel under construction	144,219
Other fixtures & fittings	598
Right-of-use assets	1,033
Trade and other receivables	29,408
Inventories	147
Prepayments	3,821
Cash and cash equivalents	106,056
Total assets	581,989

	19 December 2023
EUR'000	
Provisions	6,987
Deferred tax liabilities	10,315
Trade and other payables	40,271
Lease liabilities	1,300
Deferred charter hire income	1,937
Current income tax liabilities	1,217
Total liabilities	62,027

Total identifiable net assets at fair value	519,962
Goodwill arising on acquisition	16,919
Purchase price transferred	536,881
Cash and cash equivalents acquired	106,056
Consideration paid in shares	441,228
Net cash purchase price	(10,403)

Note 7

Employee Compensation

Onshore - presented within administrative expenses

EUR'000	Note	2023	2022	2021
Wages and salaries		16,957	8,873	6,637
Employer's contribution to defined contribution plans		847	502	350
Share based payment expense	8	1,134	352	360
Other short-term benefits		611	178	145
		19,549	9,905	7,492
Average number of full time employees		113	70	58

Employee compensation includes EUR 660 thousands related to bonus paid, included in transaction cost. For more information relate administrative expenses (Note 4).

Offshore - presented within cost of sales

EUR'000	Note	2023	2022	2021
Wages and salaries		14,056	11,693	1,097
Employer's contribution to defined contribution plans		1,124	1,082	60
Other short-term benefits		741	314	2
Total offshore employee compensation		15,921	13,089	1,159
Average number of full time employees		182	162	12

Total

EUR'000	Note	2023	2022	2021
Wages and salaries		31,013	20,566	7,734
Employer's contribution to defined contribution plans		1,971	1,584	410
Share based payment expense	8	1,134	352	360
Other short-term benefits		1,352	492	147
Total employee compensation		35,470	22,994	8,651
Average number of full time employees		295	232	70
Number of employees at the end of the reporting period		570	232	206

Eneti employees, both onshore and offshore, joined the Group by the end of December 2023. Thus, average number of full-time employees as of 2023 reflect the number of employees divided by 12 months. Eneti had 99 onshore full time employees and 176 seafarers by the end of 2023.

Offshore crew was hired directly by the Company by the end of November 2021. Average number of full-time employees as of 2021 reflect the number of seafarers. The Company had 148 seafarers by the end of 2021.

Labor costs related to certain employees who are working on the management of the newbuilding process have been capitalised. These capitalised costs amount to EUR 1.1 in 2023 and EUR 900 thousands in 2022.

Note 8

Long Term Incentive Programs

In December 2021, a new remuneration scheme was agreed starting in January 2022 and replacing the existing share-based incentive schemes for the majority of eligible employees. The terms of the programme initiated in December 2021 are:

(i) with effect from 2021, an annual cash bonus up to 12 months of salary for the CEO, and up to 6 months for selected employees. This bonus is at the discretion of the board and paid in cash the following January. Bonuses regarding selected employees is expensed in 2023.

(ii) with effect from 2021, an annual cash bonus up to 3 months of salary for other employees. This bonus paid based on Company, team and individual performance. The bonus is paid in cash at the end of the calendar year.

(iii) in January 2022, the executive management and selected employees were granted from 10,393 to 55,430 Restricted Share Units (RSU) which will vest July 2024 and are conditional upon continued employment within Cadeler. The total value of the RSU allocation is calculated based on the Company's closing share price on Nasdaq Copenhagen A/S on the day of the grant and the value is EUR 394 thousand (EUR 3.3 per RSU). The expense recognised in profit and loss for the year amounts to EUR 143 thousand (EUR 157 thousand in 2022). The average remaining contractual life as of 31 December 2023 is 0.5 years.

(iv) in January 2022, the executive management and selected employees were granted from 10,393 to 55,430 Options in Cadeler shares which will vest May 2024 and expire in April 2027. The strike price will range from NOK 36.02 to NOK 38.42 depending on the exercise period and are conditional upon continued employment within Cadeler. The fair value of these granted options was determined using the Black-Scholes model and the value is EUR 160 thousand (EUR 1.3 per RSU). The expense recognised in profit and loss

for the year amounts to EUR 62 thousand (EUR 69 thousand in 2022). The average remaining contractual life for the options as of 31 December 2023 is 3.3 years.

For the programmes described in (iii) and (iv) the annualised volatility of the shares 48.1% is based on the historical volatility of the price of shares, annual risk free interest rate of 1%, dividend yield of zero, expected life until expiration date and average share price of EUR 3.7.

(v) in May 2022, the executive management and selected employees were granted from 43,420 to 221,719 Options in Cadeler shares which will vest in May 2025 and expire in May 2028. The strike price will be NOK 40.24 and is conditional upon continued employment within Cadeler. The fair value of these granted options was determined using the Black-Scholes model and the value is EUR 761 thousand (EUR 1.3 per RSU). The expense recognised in profit and loss for the year amounts to EUR 237 thousand. The average remaining contractual life for the options as per 31 December 2023 is 4.3 years. The annualised volatility of the shares 42.5% is based on the historical volatility of the price of shares, annual risk free interest rate of 2.8%, dividend yield of zero, expected life until expiration date and average share price of EUR 3.7.

(vi) in January 2023, the executive management and selected employees were granted from 19,760 to 130,416 Restricted Share Units which will vest in July 2025 and are conditional upon continued employment within Cadeler. The total value of the RSU allocation is calculated based on the Black-Scholes model and the value is EUR 1.2 million (EUR 3.0 per RSU). The expense recognised in profit and loss for the year amounts to EUR 498 thousand. The average remaining contractual life is 1.5 years. The average share price is NOK 36.56.

Note 8

Long Term Incentive Programs

Continued from previous page

(vii) In August 2023, the executive management and selected employees were granted from 88,920 to 385,320 Options in Cadeler shares which will vest in August 2026 and expire in August 2029. The strike price will be NOK 45,49 and is conditional upon continued employment within Cadeler. The fair value of these granted options was determined using the Black-Scholes model and the value is EUR 2.2 million (EUR 1.8 per RSU). The expense recognised in profit and loss for the year amounts to EUR 250 thousand. The average remaining contractual life for the options as of 31 December 2023 is 5.5 years.

The annualised volatility of the shares 61.0% is based on the historical volatility of the price of shares, annual risk free interest rate of 2.68%, dividend yield of zero, expected life until expiration date and average share price of EUR 3.7.

The Group previously had a share-based incentive scheme for its key employees in connection with the IPO, with the following key terms:

(viii) an incentive varying from 1 to 8 months of salary of the key employee paid in shares in the event the Offering is successful. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the first day of trading of the shares. The initial share price was set at observable input 27 November 2020 (146,626 shares) and was paid out in cash at the share price after the vesting period 27 November 2021.

The initial cost was calculated to EUR 504 thousand but was paid out at EUR 734 thousand. The charge to equity amounts to EUR 230 thousand.

(ix) an incentive varying from 2 to 4 months of salary of the key employee paid in shares for the continuous employment of the employee for each full calendar year of 2020 and 2021. The incentive will be paid with the employee's salary in June in the following year,

i.e., in June 2021 and June 2022. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the date the incentive will be paid in June 2021 and June 2022. As stated above this programme was terminated for most of employees and this part is reversed in equity and in profit and loss as well. The amount reversed regarding 2020 is EUR 3 thousand and 2021 EUR 167 thousand.

(x) with effect from 2021, a tiered annual bonus scheme for the CEO of the Company linked to KPIs and business profitability, which is capped at 8 months of gross monthly salary of the CEO paid in shares. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the CEO and shares price on the date falling 30 days from the date of filing of the audited accounts of the Company for the financial year.

As stated above this programme is terminated and was replaced with a cash bonus. The programme was accounted for as a cash-based incentive programme for 2021 and the full cash bonus was expensed for in 2021.

None of these instruments are exercisable at the reporting period.

Note 8

Long Term Incentive Programs

Continued from previous page

Outstanding instruments - Options	2023				2022			
	Executive management		Other employees		Executive management		Other employees	
	Number	WAE ^P	Number	WAE ^P	Number	WAE ^P	Number	WAE ^P
Outstanding at 1 January	344,589	3.16	330,963	3.15	-	-	-	-
Granted during the year	622,440	3.64	563,160	3.64	344,589	3.16	330,963	3.15
Forfeited during the year	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at 31 December	967,029	3.47	894,123	3.46	344,589	3.16	330,963	3.15

Outstanding instruments - RSU	2023				2022			
	Executive management		Other employees		Executive management		Other employees	
	Number	WAE ^P	Number	WAE ^P	Number	WAE ^P	Number	WAE ^P
Outstanding at 1 January	55,430	-	65,823	-	-	-	-	-
Granted during the year	189,696	-	205,504	-	55,430	-	65,823	-
Forfeited during the year	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at 31 December	245,126	-	271,327	-	55,430	-	65,823	-

^PEUR Weighted average exercise price (WAE^P).

Note 9

Board of Directors and Management Compensation

EUR'000	2023			2022			2021		
	Board of directors	Executive management	Total	Board of directors	Executive management	Total	Board of directors	Executive management	Total
Wages, salaries and board fees	183	850	1,033	180	683	863	180	650	830
Share based payment	-	588	588	-	173	173	-	164	164
Other short-term benefits	-	55	55	-	36	36	-	23	23
Cash bonus	-	1,155	1,155	-	482	482	-	314	314
Total management compensation	183	2,648	2,831	180	1,374	1,554	180	1,151	1,331

Executive management

Executive management means the members of the executive management which were registered with the Danish business authority and who have the authority and responsibility for the planning, directing and controlling activities of the Company as defined by IAS 24. In 2021, Key management also included personnel who supported executive management, for the planning, directing and controlling activities of the Company.

Board of directors

Andreas Sohmen-Pao and Andreas Beroutsos are employed by the BW Group. These board members have not received remuneration from Cadeler in 2021, 2022 and 2023. Andreas Beroutsos stepped down from the Board with effect from 25 April 2023. On the same date, Andrea Abt joined the Board.

David Peter Cogman is employed by the Swire Group and has not received remuneration from Cadeler in 2021, 2022 and 2023. David Peter Cogman stepped down from the Board with effect from 16 June 2023 along with Connie Hedegaard.

On 20 February 2024, Emanuele Lauro and James Nish joined the Board. Emanuele Lauro is the Director and Chief Executive Officer of Scorpio Holdings Limited considered a related party (See Note 27).

Note 10

Finance Income and Expenses

EUR'000	2023	2022	2021
Foreign currency gain	109	3,424	1,795
Fair value change of derivative (ineffectiveness)	-	363	-
Interest gained	1,432	244	-
Finance income	1,541	4,031	1,795

EUR'000	2023	2022	2021
Interest expense			
- Interest linked to debt liabilities	2,851	1,351	2,727
- Interest with related parties	-	157	684
Fair value change of derivative (ineffectiveness)	765	-	-
Lease liabilities	25	21	30
Foreign currency loss	389	7,834	1,692
Bank fees	456	318	358
Finance expenses	4,486	9,681	5,491

Total interest paid in 2023 as per Consolidated Statement of Cash Flows amounts to EUR 7.1 million (2022: EUR 4.2 million) which have been capitalised to Property, Plant and Equipment. For more information refer to Note 18. Total interest linked to debt liabilities include EUR 1.9 million (2022: EUR 0.9) due to write off of loan fees relate to the previous debt facility and an additional EUR 1.0 million from the amendment to that prior facility in June 2023.



Note 11

Income Taxes

EUR'000	2023	2022	2021
Income tax expense			
Tax expense attributable to profit is made up of:			
Utilisation of non-recognised tax losses offset against Danish Tonnage Tax expense	-	-	(13)
Total Income tax expense	-	-	(13)

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, inclusive.

On 15 December 2020, Cadeler A/S received a binding ruling from the Danish Tax Authorities. According to this, Cadeler A/S was able to apply the Danish Tonnage Taxation after the listing of the shares 27 November 2020. Management applied the Danish Tonnage Taxation since 2021. The recorded tonnage tax expense for 2023 in Denmark and Cyprus amount to EUR 0 thousand and EUR 5 thousand respectively (2022: EUR 0 thousand and EUR 5 thousand respectively; 2021: EUR -13 thousand and EUR 5 thousand respectively).

Cadeler A/S also has material tax losses from previous periods available for carry forward. Such tax losses can be utilised against future tonnage taxation income and other income, which does not qualify for tonnage taxation. The tax value of tax losses to be carried forward as of 31 December 2023 are approximately EUR 13 million (EUR 13 and EUR 12 million as of 31 December 2022 and 2021, respectively) and have not been recognised as it is not considered probable that the tax loss will be utilised. The tax losses are not subject to expiration.

The Company operates in several countries. The Group's annual tax positions are based on taxable income, statutory rates and allowances, transfer pricing assumptions and the interpretation of the tax laws in the various jurisdictions of its operations.

Such positions require significant judgment and the use of estimates and assumptions regarding significant future events such as the amount, timing and tax characterisation of certain transactions, changes in tax laws and treaties, and the timing and amount of profitability in each location in any given year.

Additionally, certain of our entities enter into agreements with other of our entities to provide specialised services and equipment to their operations. However, in some jurisdictions the interpretation of tax laws relating to the pricing of transactions between related parties could potentially result in tax authorities asserting additional tax liabilities with no offsetting tax recovery in other jurisdictions.

The Company's tax filings may be subject to regular audits by the tax authorities as applicable to local law. These audits may result in assessments for additional taxes that are resolved with the authorities or, potentially, through the courts. Due to the uncertain and complex application of tax regulations, the ultimate resolution of audits may result in liabilities that could be materially different from these estimates. In such an event, the Company will record additional tax expense or tax benefit in the period in which such resolution occurs.

The Company reviewed the carrying amount of deferred tax assets at the reporting date and assessed if sufficient taxable profits will be available to allow a deferred tax asset to be utilised either in full or in part. To assess the availability of future taxable profits, management estimates future revenues and costs, capital allowances and tax planning opportunities.

Note 11

Income Taxes

Continued from previous page

After consideration of all the information available, including its historical operating losses over the last three years, management believes that sufficient uncertainty exists with respect to future realisation of deferred tax assets and therefore has not been recognised. The Company assesses that such deferred tax assets do not meet the recognition criteria until it can sustain a level of taxable profitability that demonstrates its ability to realise these assets.

Deferred tax

Deferred tax relates to the following:

EUR'000	2023	2022	2021
Reconciliation of deferred tax liabilities, net			
Beginning of financial year	-	-	-
Acquisition of businesses	10,321	-	-
Exchange differences	(130)	-	-
31 December 2023	10,191	-	-

Deferred tax positions as at 31 December 2023 relates to vessels.

Effective Tax Rate	2023		2022		2021	
	EUR'000	%	EUR'000	%	EUR'000	%
Tax expense attributable to profit is made up of:						
Accounting profit before income tax	11,498		35,541		7,450	
Adjustment regarding tonnage taxed income	(11,498)		(35,541)		(7,450)	
Accounting profit before income tax relating to Corporation Tax	-		-		-	
Calculated tax at statutory tax rate in Denmark, 22 %	-	22	-	22	-	22
Tax impact from:						
Change in impairment of deferred tax assets in the year	-	22	-	22	(13)	22
Income tax expense, reported	-	-	-	-	(13)	-
Effective tax rate (%)	0.0%		0.0%		0.0%	

Note 12

Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The weighted average number of ordinary shares takes into account the weighted average effect of share based payments during the year as well as issuance of shares in connection with business combination with Eneti. In December 2023, 113 million shares were issued for this business combination.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

EUR'000	2023	2022	2021
Profit attributable to ordinary equity holders of the parent for basic earnings	11,498	35,541	7,451
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	11,498	35,541	7,451

Thousands	2023	2022	2021
Weighted average number of ordinary shares for basic EPS¹	201,362	163,219	131,161
Effect of dilution from shared based payments programme	1,861	676	-
Weighted average number of ordinary shares adjusted for the effect of dilution¹	203,223	163,895	131,161

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these Financial Statements.

¹The weighted average number of shares takes into account the weighted average effect of share based payments during the year.

Note 13

Cash and Bank Balances

EUR'000	2023	2022	2021
Cash at bank and on hand	96,608	19,012	2,308

The Company is holding cash by 31 December 2023 with the intention of paying asset under construction related instalments in the first half of 2024.



Note 14

Trade and Other Receivables

EUR'000	2023	2022	2021
Trade receivables from non-related parties	26,802	17,635	18,424
Contract assets	8,880	19,999	843
Receivables from related parties	592	-	-
Other receivables	3,158	600	1,106
	39,432	38,234	20,373

As of 31 December 2023, the Company's receivables include contract assets totalling EUR 8.9 million, a significant decrease from EUR 20 million in 2022. These contract assets represent the Company's entitlement to proportional consideration for ongoing projects as of the balance sheet date. Typically, these contract assets are reclassified to trade receivables when the Company fulfils its obligations and the right to consideration becomes unconditional, usually upon completion of the project.

Expected credit loss on trade receivables

The Group has historically only experienced immaterial losses on trade receivables, if any. Further, a material part of the cash flows in the contracts are prepayments received up front.

The Group's assessment remains consistent with its past practices. Although some positions may transition to 30 days overdue, our overall position on credit risk management remains unchanged. This assessment is supported by historical data, a select group of reliable debtors, and our outlook for the future.

EUR'000	Trade receivables	Contract assets	Expected loss	Total
31 December 2023				
Not due	9,639	8,880	-	18,519
Overdue 1-30 days	14,287	-	-	14,287
Overdue 31 to 60 days	603	-	-	603
Overdue +61 days	2,273	-	-	2,273
Total	26,802	8,880	-	35,682
31 December 2022				
Not due	17,197	19,999	-	37,196
Overdue 1-30 days	438	-	-	438
Overdue 31 to 60 days	-	-	-	-
Overdue +61 days	-	-	-	-
Total	17,635	19,999	-	37,634
31 December 2021				
Not due	7,850	843	-	8,693
Overdue 1-30 days	8,962	-	-	8,962
Overdue 31 to 60 days	316	-	-	316
Overdue +61 days	1,296	-	-	1,296
Total	18,424	843	-	19,267

Note 15

Inventories

EUR'000	2023	2022	2021
Fuel and oil	1,836	549	440

As of 31 December 2023, the Company's inventories include fuel and oil totalling EUR 1.8 million, a significant increase from EUR 0.5 million in 2022 since three of our four operating vessels were off hire at the end of the reporting period.

Note 16

Prepayments

EUR'000	2023	2022	2021
Prepayments	9,562	1,699	1,497

Prepayments include deferred costs like bank loan fees, insurance annual premiums and software annual subscriptions.



Note 17

Intangible Assets

EUR'000	2023			2022	2021
	Software	Goodwill	Total	Software	Software
Cost					
Beginning of period	662	-	662	434	-
Acquisition of businesses	-	16,919	16,919		
Additions	31	-	31	228	434
Exchange differences	-	(212)	(212)		
31 December	693	16,707	17,400	662	434
Accumulated depreciation					
Beginning of period	243	-	243	32	-
Depreciation charge	210	-	210	211	32
31 December	453	-	453	243	32
Net book value	240	16,707	16,947	419	402

Software additions during 2023 are mainly related to further developments of the Company software solutions.

While 2021 additions were mainly implementation costs for Enterprise Resource and Planning (ERP), Vessel and Crew Management software, 2022 additions are mainly further developments of these initially implemented solutions.

Impairment Test

Management has performed impairment test of goodwill allocated to each CGU as at December 31, 2023.

Goodwill of EUR 16.9 million was recognised on 19 December 2023 relating to the Eneti acquisition. The Group has two CGUs being the transport and installation of offshore wind turbine generators and foundations vessels (WTGFIV), Cadeler's O-class vessels and Scylla; and the maintenance of offshore wind turbine generators (O&MV) cash-generating unit, comprising Zaratan. At 31 December 2023, Management has not yet concluded on the allocation of goodwill, which could be either to a single CGU or to both CGUs'. Management assessed goodwill for impairment on entity level (being both CGUs), which showed no indication of impairment, based on the quoted price of Cadeler's shares. For more information related to Goodwill recognised and allocation of goodwill to CGU, please refer to Note 6.

Note 18

Property Plant and Equipment

EUR'000	Vessels	Dry Dock	Other fixtures and fittings	Assets under Construction	Total
Cost 2023					
Beginning of financial year	282,282	9,261	536	356,163	648,242
Acquisition of businesses	296,536	171	599	144,219	441,525
Additions	227	-	3	73,169	73,399
Disposals	(8,002)	(291)	-	-	(8,293)
Exchange differences	(4,683)	(6)	(159)	(1,806)	(6,654)
31 December 2023	566,360	9,135	979	571,745	1,148,219
Accumulated depreciation and impairment					
Beginning of financial year	39,570	2,023	445	-	42,038
Depreciation charge	20,847	1,637	19	-	22,503
Disposals	(5,722)	(108)	-	-	(5,830)
Impairment on disposal	5,000	-	-	-	5,000
Exchange differences	(968)	(4)	(152)	-	(1,124)
31 December 2023	58,727	3,548	312	-	62,587
Net book value	507,633	5,587	667	571,745	1,085,632

Note 18

Property Plant and Equipment

Continued from previous page

Due to business combination with Eneti, the Group's property, plant, and equipment increased by EUR 441.5 million in 2023. This primarily comprised the Operating Vessels Wind Scylla and Wind Zaratan (EUR 205,879 and EUR 86,927, respectively) and the new-builds under construction, the M-Class down payments for EUR 144 million.

Additions during 2023 are mainly driven by down payments of EUR 42 million for the new P-class installation vessels (EUR 15.4 million), the new A-class foundation installation vessels (EUR 3.8 million) and instalments for the main cranes for both Wind Orca (EUR 16.0 million) and Wind Osprey (EUR 6.8 million), represented above on Assets under Construction. In addition, Assets under Construction contains EUR 7.6 million worth of guarantee fees to BW Group related to the A-class and P-class newbuild vessels as well as EUR 5.7 million of assets related to future projects that have not yet started.

Borrowing costs for 2023 has been capitalised for a total of EUR 7.1 million (2022: EUR 4.2 million). The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the reported period, in this case 5.5% (2022: 5.7%).

Disposals during 2023 are mainly driven by the main cranes upgraded in both O-Class vessels, as well as impairment recognised. For further details, please refer to Note 5.

Note 18

Property Plant and Equipment

Continued from previous page

EUR'000	Vessels	Dry Dock	Other fixtures and fittings	Assets under Construction	Total
Cost 2022					
Beginning of financial year	258,148	1,983	536	158,734	419,401
Additions	15,105	5,281	-	208,455	228,841
Transfer from assets under construction	9,029	1,997	-	(11,026)	-
31 December 2022	282,282	9,261	536	356,163	648,242
Accumulated depreciation					
Beginning of financial year	19,629	300	386	-	20,315
Depreciation charge	19,941	1,723	59	-	21,723
31 December 2022	39,570	2,023	445	-	42,038
Net book value	242,712	7,238	91	356,163	606,204

Additions during 2022 are mainly driven by down payments for EUR 167 million of the two new A-class foundation installation vessels and instalments for the main cranes for both Wind Orca (EUR 10.7 million) and Wind Osprey (EUR 16.3 million), represented above on Assets under Construction. There was also a transfer from assets under construction to additions for EUR 11 million, of which EUR 9 million due to the capitalisation of vessel equipment.

Borrowing costs for 2022 has been capitalised for a total of EUR 4.2 million. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the

weighted average interest rate applicable to the Company's general borrowings during the reported period, in this case 5.7%.

Note 18

Property Plant and Equipment

Continued from previous page

EUR'000	Vessels	Dry Dock	Other fixtures and fittings	Assets under Construction	Total
Cost 2021					
Beginning of financial year	255,030	1,050	379	-	256,459
Additions	3,118	933	157	158,734	162,942
31 December 2021	258,148	1,983	536	158,734	419,401
Accumulated depreciation					
Beginning of financial year	3,853	-	280	-	4,133
Depreciation charge	15,776	300	106	-	16,182
31 December 2021	19,629	300	386	-	20,315
Net book value	238,520	1,683	150	158,734	399,087

Additions during 2021 are mainly driven by down payments for EUR 137 million of the two new P-Class WTIVs and new crane for Wind Orca (EUR 7 million), represented above on Assets under Construction.

Note 18

Property Plant and Equipment

Continued from previous page

Impairment Test on vessels (excluding goodwill)

The Company has neither identified internal nor external impairment indicators. However, on a voluntary basis management performs an impairment test every year. For the purpose of testing the Group's vessels the impairment test is performed on a vessel-by-vessel basis.

The Company is applying both fair value less costs of disposal (FVLCO) to determine the arm's length sale price of an asset at the measurement date and the value-in-use (VIU) method for estimating the expected future cash flows that the asset in the current condition will produce. The VIU method assumes the asset will be recovered principally through its continuing use.

The impairment test involves estimating both FVLCO and VIU and comparing the higher amount to the asset's carrying amount. The Group has two CGUs being the transport and installation of offshore wind turbine generators and foundations vessels (WTGFIV), comprising Cadeler's O-class vessels and Scylla; and the maintenance of offshore wind turbine generators (O&MV) cash-generating units, comprising Zaratan. As of 31 December 2023, Management tested the carrying amount of its two CGUs including goodwill for impairment, cf. note 17, and each vessel on a stand-alone basis as described below.

Independent market values on each vessel

Two independent evaluations of the market value of the two O-class vessels were received in the second half of 2023. The first evaluation was made the 9 November 2023 by Clarksons Valuations Limited for an estimation of USD 400-440 million (corresponding to EUR 377-415 million), which is 67-84% higher than the carrying amount. The second vessel evaluation was made the 13 November 2023 by Fearnleys Asia (Singapore) Pte Ltd

for an estimation of USD 332 million (corresponding to EUR 313 million), which is 34% higher than the carrying amount.

In addition, two independent evaluations of the market value of Wind Scylla were received in November 2023. The first evaluation was made by Clarksons Valuations Limited for an estimation of USD 225-240 million (corresponding to EUR 203-217 million), which is 5% higher than the carrying amount. The second vessel evaluation was made by Pareto for an estimation of USD 285-295 million (corresponding to EUR 258-267 million), which is 25-29% higher than the carrying amount.

Two independent evaluations of the market value of Wind Zaratan were performed in the second half of 2023. The first evaluation was made by Clarksons Valuations Limited for an estimation of USD 95-115 million (corresponding to EUR 86-104 million), which is 21% higher than the carrying amount. The second vessel evaluation was made by Pareto for an estimation of USD 95-105 million (corresponding to EUR 86-95 million), which is 10% higher than the carrying amount.

The impairment assessment involves comparing net book values with broker valuations. The net book value is below the broker valuations, hence there is headroom all vessels. Management assesses key input inputs used in the independent evaluations to support no impairment indicators as explained below.

Note 18

Property Plant and Equipment

Continued from previous page

VIU calculation

As of December 2023, Management has prepared a value-in-use calculation for the vessels. For the acquired vessels in December 2023, management relied on input from DCF models in connection with accounting for the business combination, cf. note 6.

The discounted cash flow period has been calculated from the remaining useful life of the vessel as this is deemed most representative for the actual value of the vessels.

The VIU is calculated based on cash flow projections in financial budgets and business plans as follows:

- From 2024 revenue is based on a combination of signed contracts and market estimated day rates and utilisation for O-class vessels (using externally available information) and a yearly increase of 2%.
- OPEX includes expected 2024 levels (using internal forecasts) plus an increase for inflation on following years and CAPEX includes full investment on crane upgrades based on investment budget.

The discount rate used in the calculation is based on a Weighted Average Cost of Capital (WACC) of 9.5% after tax, (8% after tax in 2022 and 8.5% after tax in 2021). As the Company is subject to the tonnage tax regime, the tax consideration in the WACC calculation for impairment of a vessel is immaterial. Therefore, the before and after tax WACC remain the same for impairment testing purposes. WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

The calculation showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

A sensitivity analysis was also undertaken assuming an increase or decrease in the WACC by 1% as well as an increase or decrease in the revenue by EUR 20 thousand per day. Within this sensitivity analysis the calculations also showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

The value in use test further showed that headroom is calculated with respect to the investment in new cranes.

Newbuilds

As for the newbuilds vessels it is management opinion that current signed contracts and the expected day rates in the future support no impairment indicators.

Note 18

Property Plant and Equipment

Continued from previous page

The discount rate used in the calculation is based on a Weighted Average Cost of Capital (WACC) of 9.5% after tax, (8% after tax in 2022 and 8.5% after tax in 2021). As the Company is subject to the tonnage tax regime, the tax consideration in the WACC calculation for impairment of a vessel is immaterial. Therefore, the before and after tax WACC remain the same for impairment testing purposes.

WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

The calculation showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

A sensitivity analysis was also undertaken assuming an increase or decrease in the WACC by 1% as well as an increase or decrease in the revenue by EUR 20 thousand per day. Within this sensitivity analysis the calculations also showed no need for impairment as the future value of cashflows were higher than the Net Book Value of the vessels.

Sufficient headroom is calculated with respect to the investment in new cranes.

The impairment assessment for Wind Scylla and Wind Zaratan involves comparing their net book values with broker valuations. The net book value is below the broker valuations, hence there is sufficient headroom for the S-Class and Z-Class vessels. As for all the newbuilds vessels it is management opinion that current signed contracts and the expected day rates in the future support the agreed purchase prices of the vessels.



Note 19

Right of Use Assets

Nature of the Group leasing activities

Leasehold equipment

In 2022 the Group started an agreement for the use of vessel equipment for a total contract value of EUR 464 thousand during the initial term, plus additional repair and installation costs. The amount was amortised over the initial term which was 13 months, ending in 2023.

Office space

The Group leases office space for the purpose of office operations. In 2023, the Company has terminated the lease agreement for its headquarters and signed a contract with Castellum Denmark, for a new location from 2024. The lease commitment is presented in Note 23.

Warehouse facilities

The Group leases a warehouse facility located in the UK.

EUR'000	Leasehold equipment	Warehouse facilities	Office space	Total
Cost 2023				
Beginning of financial year	464	-	1,681	2,145
Acquisition of businesses	-	421	612	1,033
Exchange differences	-	(12)	(32)	(44)
31 December 2023	464	409	2,261	3,134
Accumulated depreciation				
Beginning of financial year	381	-	1,477	1,858
Amortisation charge	83	30	221	334
Exchange differences	-	(6)	(25)	(31)
31 December 2023	464	24	1,673	2,161
Net book value	-	385	588	973

Note 19

Right of Use Assets

Continued from previous page

EUR'000	Leasehold equipment	Office space	Total
Cost 2022			
Beginning of financial year	-	1,572	1,572
Movement during the year	464	109	573
31 December 2022	464	1,681	2,145
Accumulated depreciation			
Beginning of financial year	-	1,108	1,108
Amortisation charge	381	369	750
31 December 2022	381	1,477	1,858
Net book value	83	204	287

EUR'000	Office space	Total
Cost 2021		
Beginning of financial year	1,572	1,572
31 December 2021	1,572	1,572
Accumulated depreciation		
Beginning of financial year	832	832
Amortisation charge	276	276
31 December 2021	1,108	1,108
Net book value	464	464

Please refer to Note 24 for disclosure on the lease liabilities and to Note 23 for disclosure on lease commitment

Note 19

Right of Use Assets

Continued from previous page

Lease interest expenses recognised in profit and loss

a. Interest expense

EUR'000	2023	2022	2021
Interest expense on lease liabilities (vessels and office)	25	21	30

b. Lease expense not capitalised in lease liabilities

EUR'000	2023	2022	2021
Short-term lease expense	180	53	34

c. Total cash outflow for all leases in 2023, 2022 and 2021 were EUR 283 thousand, EUR 728 thousand and EUR 315 thousand respectively, excluding variable lease fee (refer to Note 24).

EUR'000	2023	2022	2021
Repayment of lease liability	283	728	315
Rental above standby rate	-	-	196
Cash outflow for leases that are not capitalised	180	53	34
	463	781	545

Note 20

Provisions, Trade and Other Payables

EUR'000	2023	2022	2021
Trade and other payables:			
Trade payables	8,399	3,979	2,795
Other payables	24,237	4,843	6,908
	32,636	8,822	9,703

The increase in other payables is attributed to year-end activity and temporal mismatches in payment processing, including cut-off procedures.

EUR'000	2023	2022	2021
Provisions:			
Beginning of financial year	-	-	-
Acquisition of businesses	6,987	-	-
Exchange differences	(88)	-	-
	6,899	-	-

A provision is recognised for certain contracts with customers for which the unavoidable costs of meeting the performance obligations exceed the economic benefits expected to be received. It is anticipated that these costs will be incurred in the next financial year.

Note 21

Deferred Income Taxes

Cadeler A/S has material tax losses from previous periods available to carry forward.

Such tax losses can be utilised against future tonnage taxation income and other income, which does not qualify for tonnage taxation. The tax value of tax losses to be carried forward as of 31 December 2023 are in the region of EUR 13 million. The tax losses are not subject to expiration.

No deferred tax asset in relation to the tax losses has been recognised as of 31 December 2023 as they are not expected to be utilised within the foreseeable future (3-5 years).

As at 31 December 2023, due to the business combination and the potential election to the UK tonnage tax, the Group had a gross unrecognised deferred tax asset balance of EUR 490.2 million. This balance is unrecognised at the UK corporate tax rate of 25% creating a net balance of EUR 135.6 million.

Deferred tax impact have been recognised to the extent these adjustments increase or reduce recognised deferred tax liabilities. Because of uncertainty related to future choices of tax regimes, e.g. a tonnage taxation regime or an income tax regime, or uncertainty on future earnings that can recover previous not recognised deferred tax assets or tax assets arising from other pro forma adjustments, no deferred tax assets have been recognised.



Note 22

Issued Share Capital

EUR'000	No. of shares	2023	2022	2021
Ordinary shares				
Beginning and end of financial year 2021	138,574	26,575	18,641	18,641
Issued on May 2022 for capital increase	26,176	-	3,518	-
Issued on October 2022 for capital increase	32,850	-	4,416	-
Issued on December 2023 for capital increase	113,809	15,263	-	-
End of financial year 2023	311,409	41,838	26,575	18,641

As of 1 January 2023, the Group's issued and paid in share capital amounted to DKK 197,600 thousand, equal to EUR 26,575 thousand, consisting of 197,600,000 shares of DKK 1.

In June 2023, Cadeler and Eneti entered into a Business Combination Agreement, executed through a stock-for-stock exchange offer made to all stockholders of Eneti. In December 2023, the share exchange offer was successfully completed and, consequently, the registration of the share capital increase.

In December 2023, the authorised share capital was increased by DKK 113,809 thousand, equal to EUR 15,263 thousand, consisting of 113,809,868 shares of DKK 1.

At the end of 2023, the Group had share capital amounting to DKK 311,409 thousand, equal to EUR 41,838 thousand, consisting of 311,409,868 shares of DKK 1.

All shares have equal rights.



Note 23

Commitments and Pledges

Lease commitments

The future lease payables under non-cancellable value and short-term leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

EUR'000	2023	2022	2021
Not later than one year	1,090	53	18
Between one and five years	4,984	9	-
	6,074	62	18

The Company's lease commitments include tenure of the new headquarters, which will reflect at the balance sheet in Q1 2024 under IFRS 16. The Company signed the contract with Castellum Denmark and will have access to almost 5,000 m² of office space in central Copenhagen. The contract, with a six years bidding period, amounted to EUR 8 million. The Company paid EUR 1 million as a deposit fee for this contract.

Pledge of Fixed Assets

The New Debt Facility detailed in Note 26 is secured by, inter alia, a first priority mortgage over the Wind Orca, Wind Osprey, Wind Scylla and Wind Zaratán Vessels (EUR 511 million carrying value, see Note 18), first priority assignment of the earnings of the vessel owning entities, including certain change of control provisions which are similar to those included in the P-Class Facility.

The P-Class facility is secured by a first priority mortgage over the P-Class newbuilds, first priority assignments of the insurances and earnings of the P-Class newbuilds by Cadeler and the two borrowers and contain customary financial and other covenants including certain change of control provisions. There will be a change of control under the

P-Class Facility if any person or group of persons acting in concert (other than Swire Pacific and the BW Group) hold legally and beneficially more than 25% of each of the issued and outstanding share capital and/or the issued and outstanding voting share capital of Cadeler A/S. In addition, a number of changes to the ownership structure further down in the Group will trigger a change of control such as, among others, if either Wind N1063 Limited or Wind N1064 Limited ceases to be a wholly owned (direct or indirect) subsidiary of Cadeler. The P-Class Facility will be governed by English law.

Wind Osprey & Wind Orca new crane contract

The Company signed a contract with NOV on 18 December 2020 to replace the main crane of Wind Orca and then executed the option to replace the main crane for Wind Osprey on 17 June 2021. The total sum of the contract with NOV for the replacement of both cranes is EUR 83.4 million, of which EUR 7 million was paid in 2021, EUR 27 million was paid in 2022 and EUR 15.8 million was paid in 2023. The remaining scheduled payments will be due in 2024.

P-Class vessels

Since 30 June 2021 the Company has a contract with COSCO SHIPPING Heavy Industry CO. Ltd. ("COSCO") to build two new P-class WTIVs. The total sum of the contract for the new vessels is approximately EUR 572 million, of which EUR 137 million was paid in 2021 and EUR 14 million was paid in 2023. The remaining scheduled payments will be due between 2024 and 2025. Of the total contract, USD 390 million is paid in USD and EUR 220 million will be paid in EUR.

Note 23

Commitments and Pledges

Continued from previous page

A-Class vessels

On 9 May 2022 and 22 November 2022 the Company signed additional contracts with COSCO SHIPPING Heavy Industry to build a total of two new A-Class foundation installation vessel. The total sum of the contracts for the new vessel is approximately EUR 657 million, of which approximately a total of EUR 167 million was paid in 2022, while the remaining amounts will be due over the years from 2025 to 2026. Of the total contract, USD 495 million is paid in USD and EUR 205 million is paid in EUR.

M-Class vessels

The Company, due to the business combination with Eneti, is currently under contract with Hanwha for the construction of two next generation offshore WTIVs. The total sum of the contracts is approximately EUR 592 million, of which EUR 118 million has been paid. The remaining scheduled payments will be due between 2024 and 2025.

Remaining instalments for the newbuilds vessels:

As of 31 December 2023				
Millions	P-Class	M-Class	A-Class	Total
Contract amount in EUR	220	-	205	425
Contract amount in USD	390	655	495	1,540
Total Contract amount translated to EUR	572	592	657	1,821
Commitment amount in EUR	69	-	105	174
Commitment amount in USD	390	524	426	1,340
Commitment amount translated to EUR	421	474	490	1,385

As of 31 December 2022

Millions	P-Class	A-Class	Total
Contract amount in EUR	220	205	425
Contract amount in USD	390	495	885
Total Contract amount translated to EUR	572	657	1,229
Commitment amount in EUR	82	105	187
Commitment amount in USD	390	426	816
Commitment amount translated to EUR	435	490	925

As of 31 December 2021

Millions	P-Class
Contract amount in EUR	220
Contract amount in USD	390
Total Contract amount translated to EUR	572
Commitment amount in EUR	82
Commitment amount in USD	390
Commitment amount translated to EUR	435

Financial Risk Management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The financial risk management of the Group is managed by the management of Cadeler and overseen by the Board of Directors and Audit Committee. The fair value of the Group's financial assets and liabilities as of 31 December 2023 does not deviate materially to the carrying amounts as of 31 December 2023.

Quantitative and Qualitative Disclosures about Market Risk

Currency risk

The Group's business is exposed to the Danish Kroner ("DKK"), Norwegian Kroner ("NOK"), British pound sterling ("GBP") and United States Dollar ("USD") as certain operating expenses are denominated in these currencies. The Company will look to use financial instruments to reduce currency risk when there is significant liability or income in a non-EUR or DKK denominated currency and there is a cost-effective solution.

The largest currency exposure of the Group is the future instalments for the new P, A and M class vessels in USD (USD 1.3 billion), more details can be found in Note 25 with regards of the current instruments used to mitigate this currency risk. Management and Board of Directors will evaluate the potential cost and benefits of currency exposure on an ongoing basis.

The Group holds cash balances in USD. If the USD:EUR exchange rate deteriorated by 10% the result before tax would have decreased by EUR 4.6 million (EUR 30 thousand in 2022; EUR 80 thousand in 2021) based on the USD cash holdings as at 31 December 2023.

The Group holds cash balances in GBP. If the GBP:EUR exchange rate deteriorated by 10% the result before tax would have decreased by EUR 1.4 million based on the GBP cash holdings as at 31 December 2023.

As the DKK is pegged to EUR, no material currency risk has been identified against the DKK even though the Cadeler Group has costs denominated in DKK. As of 31 December 2023, the Cadeler Group did not have any material NOK cash holdings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's current exposure to the risk of changes in market interest rates relates primarily to the Revolving Credit Facility (RCF) which was taken out on the 1 July 2022 and refinanced on the 7 December 2023, the New Debt facility, the P-Class facility, M-Class facility and Holdco facility. More details can be found in Note 25 with regards of the current instruments used to mitigate this risk.

The New Debt facility and Holdco facility are based on a EURIBOR interest rate plus a margin. The EURIBOR interest rate has a floor of 0bps and was 3.9% and 2.0% at the end of 2023 and 2022, respectively.

If the EURIBOR interest rate increased 100bps over the floor of 0bps, and the loans had been provided throughout the entire period of 2023, the cost would have increased by EUR 2.1 million (EUR 1.5 million in 2022; EUR 715 thousand in 2021). This variation could potentially qualify as capitalisable borrowing costs and minimise the impact on the result before tax. If the interest rate decreases the result before tax would not change due to capitalisation of borrowing costs.

Management and Board of Directors will evaluate the potential cost and benefits of fixed interest rate borrowings on an ongoing basis.

Note 24

Financial Risk Management

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Credit risk

Risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the following policy to mitigate credit risk.

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

The Group adopts the policy of dealing only with customers of appropriate history and obtaining sufficient security where appropriate to mitigate credit risk. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk.

These credit terms are normally contractual and credit policies spell out clearly the guidelines on extending credit to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered.

Related party credit risk is managed by the Executive Management of Cadeler and overseen by the Board of Directors.

The maximum exposure to credit risk is the carrying amount of trade receivables and other receivables, receivables from group entities and cash and bank balances presented on the balance sheet.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its financial assets which are trade and other receivables, cash and bank balances and contract assets. Financial assets are written-off when there is no reasonable expectation of recovery, such as a non-related debtor failing to engage in a repayment plan with the Group.

Where receivables have been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group has applied the simplified credit loss approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables from customers. To measure the expected credit losses, the Group grouped receivables based on shared credit characteristics and days past due.

Trade receivables from external customers that are neither past due nor impaired are with creditworthy companies. Based on the provision matrix, the trade receivables from external customers are subject to immaterial credit loss. Refer to Note 14 for analysis of expected credit loss on trade receivables and contract assets.

For cash and bank balances and other receivables that are measured at amortised cost, the Group has considered these financial assets as low credit risk. Cash and bank balances are mainly deposits with banks who have high credit-ratings as determined by international credit-rating agencies. As at 31 December 2023, cash and bank balances and other receivables are subject to immaterial credit loss. There is no credit loss allowance for other financial asset at amortised cost as at 31 December 2023, 2022 and 2021.

Note 24

Financial Risk Management

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Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and available funding through committed credit facilities to enable it to meet its operational requirements and instalments for the newbuilds vessels signed. Please refer to Note 26 – Financial Liabilities; Interest-bearing Loans and Borrowing for a detailed disclosure of the current facilities of the Group.

The following maturity table shows the contract obligation for the construction of the newbuilds vessels:

Millions	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
2023				
Obligation in USD	328	833	180	1,341
Obligation in USD (in EUR)	296	752	163	1,211
Obligation in EUR	69	99	6	174
Total obligations (in EUR)	365	851	169	1,385
2022				
Obligation in USD	-	197	619	816
Obligation in USD (in EUR)	-	187	588	775
Obligation in EUR	13	69	105	187
Total obligations (in EUR)	13	256	693	962

EUR'000	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
2023				
Trade and other payables	32,636	-	-	32,636
Payables to Related parties	162	-	-	162
Lease liabilities	601	392	-	993
Debt to credit institutions	799	-	204,773	205,572
Derivatives	4,004	5,683	12,274	21,961
	38,202	6,075	217,047	261,324
2022				
Trade and other payables	8,822	-	-	8,822
Payables to Related parties	89	-	-	89
Lease liabilities	279	-	-	279
Debt to credit institutions	772	-	114,230	115,002
Derivatives	-	1,821	287	2,108
	9,962	1,821	114,517	126,300
2021				
Trade and other payables	9,703	-	-	9,703
Payables to Related parties	63	-	-	63
Lease liabilities	298	209	-	507
Debt to credit institutions	28,599	14,476	30,000	73,075
	38,663	14,685	30,000	83,348

The table above analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows excluding newbuild payments.

Note 24

Financial Risk Management

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EUR'000	2023	2022	2021
Lease liabilities at 1 January (current and non-current lease)	279	507	792
Acquisition of subsidiaries	1,299	-	-
Exchange differences	(16)	-	-
Cash paid for lease obligations	(569)	(228)	(285)
Lease liabilities at 31 December (current and non-current lease)	993	279	507
Current	392	-	209
Non-current	601	279	298

Change in the debts to credit institutions during the year

EUR'000	2023	2022	2021
Debt to credit institutions at 1 January	(115,002)	(73,075)	(73,500)
Overdraft facility drawn	-	(16,067)	(8,998)
Loans repayment	115,000	65,000	10,000
Overdraft repayment	-	25,065	-
New loan	(211,934)	(115,000)	-
New loan interests	8,262	1,541	-
Write off of loan fees	(1,898)	(923)	-
Others	-	(1,543)	(577)
Debt to credit institutions at 31 December	(205,572)	(115,002)	(73,075)

EUR'000	Less than 1 year	Between 1 and 2 years	After 2 years	Total	Carrying amount
2023					
Derivative financial instruments					
Interest rate swaps with a positive fair value	-	-	-	-	-
Interest rate swaps with a negative fair value	798	(3,166)	(11,862)	(14,229)	(11,855)
Gross settled foreign currency contracts, pay leg (EUR)	-	(183,741)	-	(183,741)	-
Gross settled foreign currency contracts, receive leg (USD)	-	178,403	-	178,403	(5,338)
	798	(8,504)	(11,862)	(19,567)	(17,193)
2022					
Derivative financial instruments					
Interest rate swaps with a positive fair value	(305)	1,158	4,231	5,084	3,376
Interest rate swaps with a negative fair value	-	-	(370)	(370)	(287)
Gross settled foreign currency contracts, pay leg (EUR)	-	(183,741)	-	(183,741)	-
Gross settled foreign currency contracts, receive leg (USD)	-	181,921	-	181,921	(1,821)
	(305)	(662)	3,861	2,894	1,268

Note 24

Financial Risk Management

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Capital management

The Company's objectives when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure.

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

In order to maintain or adjust the capital structure in the future, the Group may adjust the amount of dividends paid to shareholders, issue new shares and/or sell assets to reduce debt. Pursuant to the RCF, the Company is not permitted to pay any dividends or other distributions without DNB Bank ASA's written consent.

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In measuring the fair value of unlisted derivative financial instruments and other financial instruments for which there is no active market, fair value is determined using generally accepted valuation techniques. Market-based parameters such as market-based yield curves and forward exchange prices are used for the valuation.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Financial instruments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as following accounting hierarchy:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. Valuation techniques applied are primarily based on marked-based inputs of the instruments. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The table below shows the fair value measurement hierarchy of the Group's assets and liabilities:

Note 24

Financial Risk Management

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EUR'000	Level 1	Level 2	Level 3	Total
2023				
Through the consolidated statement of profit and loss				
Derivative assets	-	-	-	-
Total financial assets at fair value through the consolidated statement of profit and loss	-	-	-	-
Derivative liabilities	-	(403)	-	(403)
Total financial liabilities at fair value through the consolidated statement of profit and loss	-	(403)	-	(403)
Cash flow hedges:				
Derivative assets	-	338	-	338
Derivative liabilities	-	(17,937)	-	(17,937)
2022				
Through the consolidated statement of profit and loss				
Derivative assets	-	363	-	363
Total financial assets at fair value through the consolidated statement of profit and loss	-	363	-	363
Derivative liabilities	-	-	-	-
Total financial liabilities at fair value through the consolidated statement of profit and loss	-	-	-	-
Cash flow hedges:				
Derivative assets	-	3,013	-	3,013
Derivative liabilities	-	(2,108)	-	(2,108)

Note 25

Derivative Financial Instruments

Hedge accounting

The Group uses forward exchange contracts, including options (collars), and interest rate swap contracts to hedge currency risks and interest risk regarding highly probable future cash flows and designates them as cash flow hedges subject to meeting the criteria for application of cash flow hedging.

The hedging ratios are determined as the notional value of the instrument divided by the notional value of the hedge item. The Group seeks to establish hedge relationships with a hedging ratio of 1:1. Due to the nature of the hedge items risk, this will be possible by either designating a proportion of the hedge instrument or the hedge notional value being equal or lower of the hedge items notional value. The main source of ineffectiveness arises from the timing of the delivery of the vessels. The delivery of the vessels will expose the Group to several market risks, related to foreign currency risks and interest rate risk. The fair value adjustment of the derivatives is recognised in other comprehensive income until the hedged items are realised.

The table below shows the movement in the reserve for cash flow for hedging, listed by the hedged risk.

EUR'000	2023	2022
Fair Value change of Cash flow hedges		
Cumulative fair value change at 1 January	1,343	-
Fair value adjustment at year-end, net	(18,505)	905
Interest recycled at year-end, net	(776)	438
Time value adjustment at year-end, net	(3,621)	-
Cumulative fair value change at 31 December	(21,559)	1,343
The fair value of cash flow hedges at 31 December can be specified as follows:		
Interest rate risk hedging	(11,790)	3,163
Foreign currency risk hedging	(6,148)	(1,820)
Foreign currency risk hedging - time value	(3,621)	-
Cumulative fair value change at 31 December	(21,559)	1,343

Note 25

Derivative Financial Instruments

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Interest rate risk

In 2022 the Group entered into a Senior Secured Green EURIBOR based revolving credit facility (RCF) with a 0 bps floor which led the Group to be exposed to changes in the 3M EURIBOR rate with respect of their current funding. Further the group obtained an indicative term sheet for the financing of the P-class vessels acquired from COSCO SHIP-PING Heavy Industry and planned to be delivered in the period of 2024 to 2025. The group intended to enter these loans as the main source of future funding and considered the risk of changes to EURIBOR based interest payments in 2022 and coming years.

On 5 October 2022, the Group entered into interest rate swap contracts with DNB which relate to the Debt Facility and future loans thereunder. The interest rate risk arising from the loans under the Debt Facility have been swapped from 3-month EURIBOR to a fixed rate until 5 October 2027. The average fixed rate of the swaps is 2.81% (2022: 2.82%). Such interest rate swap contracts have been replaced by new contracts in connection with the New Debt Facility.

In connection with the Business Combination, on 7 December 2023 the Group entered into the New Debt Facility, a new senior secured credit and guarantee facility of up to EUR 550 million. The New Debt Facility has similar terms and conditions as the Debt Facility.

Further, on 23 December 2023, the Group entered into a Sinosure-backed green term loan facility (EUR 425 million). The Group entered these loans as the main source to finance the purchase of the P-Class newbuilds.

The Group entered into interest rate swap contracts with the Group's main bank and related these to the New Debt Facility and the future loans. The interest rate risk arising from the loans have been partially swapped from 3M EURIBOR to a fixed rate. The new credit facilities expand the exposure of the Group to changes in the 3M EURIBOR rate.

The economic relationship is established as a match of critical terms between the hedge item and hedge instrument. The group has assessed the following terms when entered into the hedge relationship:

- Instalments on the facilities.
- Payment date of interest and instalment.
- Timing difference in the maturity of the hedge item and hedge instrument.

The expected causes of hedging ineffectiveness relate to:

- Changes to the expected date of delivery of the vessels.
- 3M EURIBOR rate falling below 0%.

Note 25

Derivative Financial Instruments

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The below table shows the profile of the nominal amount of the interest rate swaps and the fair values.

Notional amount EUR'000	Fair value EUR'000			Asset	Liability
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years		
2023					
Interest rate Swap – EURI-BOR 3M	-	-	555,000	-	(11,790)
2022					
Interest rate Swap – EURI-BOR 3M	-	-	469,375	3,451	(288)

More details can be found in Note 26 with regards of the current debt facilities of the Group related to the interest rate swaps.

EUR'000	2023	2022
Movements in the hedging reserve		
Beginning of year	3,163	-
Fair value adjustment for the year	(14,177)	2,725
Interest recycled for the year	(776)	438
End of year	(11,790)	3,163

Note 25

Derivative Financial Instruments

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Foreign currency risk hedging

In 2021, the Group entered into a binding contract for the construction of two P-class vessels from COSCO. The contracts are partly settled in USD. USD payments will be due in 2024 and 2025.

The currency exposure arising from the contracts has been swapped to EUR at the Company's banks at an average USD:EUR rate of 0.9187 for both 2023 and 2022.

In 2022, the Company signed additional contracts with COSCO SHIPPING Heavy Industry to build a total of two new A-class foundation installation vessel. The Company is exposed to change in foreign exchange currency risk on their contractual obligation to acquire the A-class vessels due to the last instalment being in USD. The last instalment shall be payable upon delivery of the vessel.

The exposure to the variability in the future currency rate has been hedged by entering into six zero cost collar contracts with DNB, securing an average USD:EUR rate of between 0.8695 and 0.9466 for USD 300 million of notional amount, bringing the total coverage to USD 500 million. As of 31 December 2023, the total coverage effectively mitigates around 50% of its foreign exchange risk for the upcoming USD instalments for the new P- and A-class vessels contracts.

The economic relationship is established as a match of critical terms between the hedge item and hedge instrument. The Group has assessed the following terms when entered the hedge relationship:

- Payment date of instalment in foreign currency.
- Maturity of the hedged item and hedged instruments (forward contract and option collars).

The expected causes of hedging ineffectiveness relate to changes to the expected date of delivery of the vessel. The below table shows the profile of the nominal amount of the foreign currency forward contracts and option collars and the fair values.

Notional amount USD'000	Fair value EUR'000			Asset	Liability
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years		
2023					
FX forward contracts	150,000	50,000	-	-	(5,338)
Option collars	-	250,000	50,000	-	(4,431)
2022					
FX forward contracts	-	200,000	-	-	(1,820)
Option collars	-	-	-	-	-
EUR'000				2023	2022
Movements in the hedging reserve					
Beginning of year				(1,820)	-
Fair value adjustment for the year - FX forward contracts				(3,518)	(1,820)
Fair value adjustment for the year - Option collars				(810)	-
Time value adjustment for the year				(3,621)	-
End of year				(9,769)	(1,820)

Financial Liabilities: Interest-bearing Loans and Borrowings

New Debt Facility – replacing the RCF

On 29 June 2022 the Company entered into a Senior Secured Green Revolving Credit Facility ("RCF") of a 3-year term loan of EUR 185 million with DNB Bank ASA.

The RCF consists of (i) a three-year non-amortizing term loan of EUR 150 million, in addition to voluntary prepayments in whole or any part of the loan, at any time, the loan will be repayable in a balloon payment of EUR 150 million, and (ii) a guarantee facility of up to EUR 35 million.

On 4 July 2022 the Company utilised EUR 115 million from the total EUR 150 million available from the RCF. With these funds the Group repaid in full the outstanding amounts, related to the term loan EUR 55 million and overdraft facility EUR 25 million from DNB Bank ASA and SpareBank 1 SR-Bank signed on 4 November 2020. At that time, the new RCF added about EUR 70 million in liquidity.

The RCF bears interest at 3-month or 6-month EURIBOR + the Applicable Margin, and subject to a green loan margin discount as long as the Company is in compliance with certain green asset criteria such as earmarked investments in green assets. The Group is currently in compliance with this green criteria and are expected to remain compliant for the duration of the facility. The full repayment of a senior debt facility generated a finance cost for the write-off of borrowing costs of approximately EUR 810,000 in July 2022. Due to a confidentiality agreement, the applicable margin cannot be disclosed.

In June 2023, the Debt Facility was amended to increase the guarantee facility to EUR 60 million and to increase the committed revolving credit facility to EUR 250 million, resulting in an increase of the aggregate Debt Facility to EUR 310 million. The above was re-financed and the Group entered into the new RCF, as explained below.

In connection with the Business Combination, the Company on 7 December 2023 entered into a new senior secured credit and guarantee facilities of up to EUR 550 million providing for (i) a revolving credit facility of up to EUR 250 million (5 year tenor), (ii) a revolving credit facility of up to EUR 100 million (18 months tenor), (iii) a term loan of up to EUR 100 million (8.5 year tenor) guaranteed by The Danish Export and Investment Fund of Denmark (EIFO) and (iv) an uncommitted guarantee facility of up to EUR 100 million (the "New Debt Facility"). The New Debt Facility has similar terms and conditions as the existing Debt Facility. The change of control provisions are similar to those included in the P-Class Facility (as described below).

The Company has utilised EUR 162 million from the total EUR 450 million available from the RCF. With these funds the Group repaid the outstanding amounts of Eneti's previous Credit Facility, which amounted to USD 59.4 million (of which Eneti repaid USD 12.6 million in October 2023 from the proceeds from the sale of Seajacks Hydra, Seajacks Leviathan and the Seajacks Kraken). In addition, the Group has repaid the amounts under its own Debt Facility amounting to EUR 115 million.

The full repayment of the senior debt facility generated a finance cost for the write off of borrowing costs of approximately EUR 1.8 million thousand in 2023.

By the end of the reporting period, EUR 288 million remains unutilised from the RCF.

Note 26

Financial Liabilities: Interest-bearing Loans and Borrowings

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Holdco Facility (EUR 50 million)

On 15 November 2023, the Group entered into an unsecured Holdco Facility in an aggregate amount of EUR 50 million (tenor of five years) with HSBC. The financing includes a non-committed accordion option of up to EUR 50 million. The purpose of the Holdco Facility is, among others, partial funding of the wind installation activities of the Group and general corporate purposes. The facility includes customary financial and other covenants.

M-Class Facility (USD 436 million)

In connection with the Business Combination, the Group acquired a senior secured green term loan facility, which Eneti entered in November 2023, of up to USD 436 million (the "New Credit Facility") with a group of international banks and export credit agencies co-arranged and co-underwritten by Crédit Agricole Corporate and Investment Bank and Société Générale, and with Société Générale as Green Loan Coordinator. The New Credit Facility finances approximately 65% of the purchase cost of the M-Class newbuilding, with the remaining 35% to be funded either by obtaining additional bank financing or through available operational cash reserves. The maturity date of the New Credit Facility in relation to each vessel is 12 years from the delivery date of each vessel. The New Credit Facility bears interest at a blended margin of SOFR plus 2.36% per annum (exclusive of premiums payable to K-SURE and Eksfin). However, the terms of the New Credit Facility provided that completion of the Business Combination would not trigger a change of control provision with regard to cancellation and prepayment of the New Credit Facility.

P-Class Facility (USD 425 million)

Further, Cadeler A/S and two of its subsidiaries, WIND N1064 Limited and WIND N1063 Limited, entered into a Sinobure-backed green term loan facility of up to EUR 425 million (12 year tenor) (the "P-Class Facility") in December 2023 to finance the purchase of P-Class newbuilds. The funds under the P-Class Facility have been borrowed by WIND N1064 Limited and WIND N1063 Limited (the future owners of the P-Class newbuilds) and may not be reborrowed once repaid. Further financing will be required from 2025 in connection with milestone payments for the A-Class New Builds. The Cadeler Group's management expects to require approximately EUR 450 million of additional funding for the A-Class New Builds. Cadeler currently has a letter of intent in place for the order of one additional A-Class New Build. There can be no guarantee that the financing of such new builds and any future upgrades can be obtained on attractive terms or at all.

Covenants

The Group is in compliance with all covenants in the New Debt Facility (RCF):

- Minimum Free Liquidity: Freely available cash and cash equivalents at of i) the higher of EUR 35,000,000 or 5% of gross interest bearing debt, if the ratio of forward-looking contract cash flow to net interest bearing debt are above 50% or ii) EUR 50,000,000 or an amount equal to 7.5% of the gross interest bearing debt at all other times.
- Equity Ratio: The ratio of book equity to total assets at all times to be minimum 35%.
- Working capital: the working capital shall be higher than zero (0).

Note 26

Financial Liabilities: Interest-bearing Loans and Borrowings

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- Fair market value of vessels: The fair market value of the vessels shall at all times cover at least 150% of the gross interest bearing debt following the redelivery of the O-Class vessels.
- Contracted cash flows: If at any reported quarter the aggregated loans exceed 80% the forward-looking expected cash revenues from legally binding contracts, the Contracted Cash Flows, the Borrower shall prepay the exceeding part of the Loans within five (5) Business Days.
- Utilisation of RCF's Facility under New Debt Facility must be above the outstanding on ECA Term Loan tranche.

Further, the Group is in compliance with some additional covenants specified in the Holdco Facility:

- Fair market value of vessels: The fair market value of the vessels shall at all times cover at least 140% of the gross interest bearing debt.
- Debt service coverage ratio: Cash flow available for debt service (including available liquidity covering cash, cash equivalent and undrawn New Debt Facility) at the Parent Company must be above Debt service cash flow related to the Holdco Facility (2:1).

As of the reported date, the P-Class and M-Class facilities remain unutilised. Given their non-utilisation, no assessment of compliance with associated covenants has been necessary up to this point. These covenants, if applicable, will require assessment upon utilisation of the facilities and contain customary financial and other covenants, including certain change of control provisions, similar to those disclosed for the utilised facilities.

Additionally, the Group is in compliance with below requirements:

Restriction on dividends: the Company is not permitted to pay any dividends or other distributions without DNB Bank ASA's written consent. For the New Debt Facility, dividends and distributions should not exceed 50% of the consolidated net profit for the respective year. Further, in the Holdco Facility, the Company is not allowed to any distributions before the delivery of the P-Class, A-Class and M-Class.

Change of control: If any person or group of persons (other than Swire Pacific or the BW Group) acting in concert directly or indirectly gains control of 25% or more of the voting and/or ordinary shares of the Borrower, the Agent (acting on instructions from the majority lenders) may by written notice of sixty (60) days cancel the total commitments and demand prepayment of all amounts outstanding under the facilities.

Note 26

Financial Liabilities: Interest-bearing Loans and Borrowings

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As of 31 December 2023	Interest rate	Maturity	Committed (EUR millions) ¹		Related derivatives contracts	
			Utilised	Unused	Average IRS rate	IRS nominal (EUR millions)
Secured						
New Debt Facility (RCF)	3 months EURIBOR + 2.4%	2031	162	288	2.7%	150
New Debt Facility - Guarantee	0.80% - 1.20%	2026	45	55		
Total New Debt Facility			207	343		
P-Class Facility	3 months EURIBOR + (0.90% - 2.4%)	2035		425	3.0%	203
M-Class Facility (USD 436 million)	SOFR + 2.4%	2035		394		
Unsecured						
HoldCo Facility	3 months EURIBOR + 4%	2028	50	-		
Total (excluding Guarantee facility)			212	1,107		

¹ As of 31 December 2022, Debt Facility (RCF) amounted to EUR 150 million of which EUR 115 million were utilised.

Note 27

Related Party Transactions

Group's Related Party Transactions

Members of the Cadeler Board, Cadeler's executive management and Cadeler's major shareholder, BW Altor Pte. Ltd. ("BW Altor"), are considered related parties as they are either members of the Cadeler Board or executive management of Cadeler or exercise significant influence over Cadeler and the Cadeler Group's operations. For the financial years 2022 and 2021, Swire Pacific Limited ("Swire Pacific") was considered a related party given its ownership of more than 5% in Cadeler, but for accounting purposes, with effect from 1 January 2023, Swire Pacific is no longer considered a related party under IFRS due to its reduced ownership percentage and the fact that it is no longer represented on the Cadeler Board. In addition, Scorpio Holdings Limited ("Scorpio Holdings") is considered a related party given its current ownership of more than 5% in Cadeler. Related parties also include such persons' close family members, undertakings in which such persons have significant interests as well as other affiliates.

As of December 2023, BW Altor owns 19.57% of the Cadeler shares, Scorpio Holdings Limited owns 12.09% of the Cadeler shares and Swire Pacific owns 8.51% of the Cadeler Shares. For the financial years ended 31 December 2023, 2022 and 2021, there were no material transactions between Cadeler or any company of the Cadeler Group and BW Altor, Scorpio Holdings and/or Swire Pacific (or their respective affiliates) other than the transactions described below.

Share lending agreement with BW Altor

In October 2022, Cadeler entered into a share lending agreement with BW Altor as the share lender for the purpose of facilitating delivery versus payment settlement of the Cadeler's shares to be delivered to investors in connection with a private placement that took place in October 2022. As compensation for such share lending, BW Altor received a customary fee paid by Cadeler until the Cadeler Shares were redelivered and admitted

to trading on the OSE. The amount paid to BW Altor pursuant to such share lending agreement amounted to EUR 85,000.

Guarantees provided by BW Group

BW Group has provided COSCO with four guarantees in respect of the sums payable by Cadeler in accordance with the contract for the construction of certain newbuilt P-class and A-Class WTIVs in 2021, 2022 and 2023. Under this guarantee arrangement, certain fees are payable by the Group to BW Group until the guarantees are discharged in full.

Bunker supply from Hafnia Pools (affiliate of BW Group)

In April 2022, Hafnia Pools Pte Ltd, which is an affiliate of BW Group, and Cadeler entered into a service level agreement pursuant to which Hafnia Pools Pte Ltd agreed to supply marine bunker oil and related products to Cadeler's vessels in the port of Rotterdam and other ports in the Rotterdam area at market rates. The agreement includes standard terms and conditions, including related to late payments, termination, a cap on the liability of Hafnia Pools Pte Ltd and indemnification for third-party claims raised by suppliers of the fuel against Hafnia Pools Pte Ltd.

Performance guarantees issued by Swire Offshore Holdings Group

During the course of 2020, Swire Pacific Offshore Holdings Limited, through its subsidiary Swire Pacific Offshore Operations Pte. Ltd., issued four performance guarantees and four bank guarantees in favour of the Cadeler Group's customers as security for performance of the Cadeler Group's obligations under its customers' contracts. These guarantees covered a period up until April 2022. Following the sale of Swire Pacific Offshore Holdings Limited by Swire Pacific in April 2022, Swire Pacific Offshore Holdings Limited is no longer considered to be a related party as it is no longer controlled by a significant shareholder of Cadeler, and the Cadeler Group put new performance guarantees in place.

Note 27

Related Party Transactions

Continued from previous page

In connection with the guarantees provided by Swire Pacific Offshore Holdings Limited, Cadeler entered into a deed of recourse with Swire Pacific Offshore Operations Pte Ltd., which has since terminated, pursuant to which:

- Cadeler had an obligation to indemnify Swire Pacific Offshore Operations Pte Ltd. for any liabilities incurred by Swire Pacific Offshore Operations Pte Ltd. in performing its obligations under the performance guarantees or in respect of any payments made under the bank guarantees; and
- Cadeler had an obligation to pay Swire Pacific Offshore Operations Pte Ltd. an arm's length fee for each guarantee issued and procured respectively by Swire Pacific Offshore Operations Pte Ltd. in favour of Cadeler's customers.

Crewing agreement

In 2014, Cadeler entered into a crewing agreement with Swire Pacific Ship Management LTD(Singapore branch) ("SPSM"), which at that time was a related company to Swire Pacific Offshore Operations Pte Ltd, Cadeler's sole shareholder at that time. Pursuant to this agreement, SPSM agreed to provide a crew for Cadeler's two vessels in accordance with the standard terms set out in a BIMCO crewman agreement. The crew management fee was 2% of the monthly manning costs, and severance costs amounted to USD 20,000.

This agreement was subsequently terminated in November 2021 when Cadeler decided to employ its own crew directly. As part of the termination agreement, the parties agreed that the termination is without prejudice to any claims, liabilities or obligations that may have accrued prior to the date of termination. The expenses set out in the table below with respect to this crewing agreement for the financial year ended 31 December 2021 related to the period prior to the effective date of such termination.

Transitional Service Agreement entered into in connection with Cadeler's listing on the OSE

In October 2020, Cadeler entered into a transitional service agreement with Swire Pacific Offshore Operations Pte Ltd regarding services to be rendered to Cadeler during a transitional period following the initial public offering and admission to trading of the Cadeler shares on the OSE. Such services included, inter alia, assistance with financial reporting, tax, insurance, internal audit, IT, HR, procurement, technical and HSEQ support and services. The term of the agreement was limited to one year and could be terminated by either party at any time with three months' prior written notice. The agreement terminated in accordance with its terms in October 2021.

Training courses provided by BW Maritime

BW Maritime has provided training courses for Cadeler's onshore staff and traveling costs reimbursements for board members

Administrative support provided by Scorpio Services Holding

The Group, due to the business combination with Eneti, holds an agreement with Scorpio Services Holding ("SSH") for the provision of administrative staff, office space and accounting, legal compliance, financial and information technology services for which it is due to reimburse to SSH the direct and indirect expenses incurred while providing such services.

Ultramax and Kamsarmax pools

Through the business combination the Company acquired receivables positions from Eneti transactions to Scorpio Group related parties for commercial management services. These services involved securing employment for Eneti's drybulk vessels in the spot market or on time charters. Please refer to the table under Scorpio Ultramax Pool and the Scorpio Kamsarmax Pool for details. The pools are owned by Scorpio Holdings which is considered a related party.

Note 27

Related Party Transactions

Continued from previous page

The following significant transactions took place between the Company and related parties within the BW Group and Swire Pacific Offshore Holdings Group at terms agreed between the parties:

EUR'000	2023	2022	2021
Sales and purchases of goods and services			
Costs related to guarantees fees to BW Group Limited	(7,576)	(5,307)	(1,853)
Costs related to bunker supply to Hafnia Pools Pte Ltd (Member of BW Group)	(1,597)	(2,537)	-
Cost related to training courses to BW Maritime Pte. Ltd	(26)	-	-
Cost related to administrative expenses to Scorpio Services Holding	(17)	-	-
Cost related to share lending fees to BW Altor Pte. Ltd.	-	(85)	-
Cost related to travel expenses for board meetings to BW Maritime Pte. Ltd	-	(3)	-
Costs related to performance guarantees to Swire Pacific Offshore Holdings Group	-	(157)	(684)
Crew hire expenses paid to the Swire Pacific Offshore Holdings Group	-	(115)	(11,461)
Receivables from Scorpio Kamsarmax Pools at reported period	136	-	-
Receivables from Ultramax Pools at reported period	456	-	-
Payables to Hafnia Pools Pte Ltd at reported period	-	1	-
Management fees paid to the Swire Pacific Offshore Holdings Group	-	-	(197)
Payables to Swire Pacific Offshore Holdings Group at reported period	-	-	63

EUR'000	2023	2022	2021
Payables to Scorpio Commercial Management at reported period	4	-	-
Payables to Scorpio Service Management at reported period	6	-	-
Payables to Scorpio Services Holding at reported period	141	-	-
Payables to Scorpio UK at reported period	1	-	-
Payables to BW Altor Pte. Ltd. at reported period	-	85	-
Payables to BW Maritime Pte. Ltd at reported period	10	3	-

Related party transactions over the reported period are primarily linked to guarantee fees issued by the BW Group Limited, bunker supply by Hafnia Pools (member of the BW Group), costs related to training expenses by the BW Maritime and administrative expenses to Scorpio Services Holding.

In addition, Cadeler has not had significant transactions with the members of the Cadeler Board and the executive management apart from remuneration and expenses. Cadeler has not provided or granted any loans or guarantees to its directors or executive management.

For information on remuneration paid to members of the Cadeler Board and executive management, refer to Note 9.

Note 28

Group Information

The consolidated financial statements of the Group include the following subsidiaries, which are fully owned by the Parent Company:

Entities	Country
<i>Vessel owning entities</i>	
Wind Orca Ltd	Cyprus
Wind Osprey Ltd	Cyprus
Wind N1063 Ltd	Cyprus
Wind N1064 Ltd	Cyprus
Seajacks 1 Ltd	UK
Seajacks 4 Ltd	UK
Seajacks 5 Ltd	UK
Seajacks 3 Japan LLC	Japan
<i>Trading and Operations</i>	
Seajacks UK Ltd	UK
Seajacks UK Ltd Taiwan Branch	Taiwan
Seajacks US Inc.	USA
Seajacks Merman Marine Ltd	Bermuda
Seajacks Crewing Services Ltd	UK
Seajacks Japan LLC	Japan
<i>Investment holding entities</i>	
Wind MI Ltd	Marshall Islands
Eneti (Bermuda) Ltd	Bermuda
Atlantis Investorco Ltd	UK

Entities	Country
<i>Investment holding entities (continuation)</i>	
Atlantis Equityco Ltd	UK
Atlantis Midco Ltd	UK
Seajacks International Ltd	UK
<i>Dormant entities</i>	
Seajacks 2 Ltd	UK
Seajacks 3 Ltd	UK
Scorpio SALT LLC	USA
Bulk Run-Off Company Ltd	Marshall Islands
Crawford Path LLC	Delaware
Windpower Alpha Ltd	Marshall Islands
Windpower Bravo Ltd	Marshall Islands
Seajacks 7 Limited	UK
Seajacks 8 Limited	UK
SBI Achilles Shipping Company Ltd	Marshall Islands
SBI Antares Shipping Company Ltd	Marshall Islands
SBI Apollo Shipping Company Ltd	Marshall Islands
SBI Aries Shipping Company Ltd	Marshall Islands
SBI Athena Shipping Company Ltd	Marshall Islands
SBI Bolero Shipping Company Ltd	Marshall Islands

Note 28

Group Information

Continued from previous page

Entities	Country
<i>Dormant entities (continuation)</i>	
SBI Bravo Shipping Company Ltd	Marshall Islands
SBI Capoeira Shipping Company Ltd	Marshall Islands
SBI Carioca Shipping Company Ltd	Marshall Islands
SBI Chartering and Trading Ltd	Marshall Islands
SBI Conga Shipping Company Ltd	Marshall Islands
SBI Cougar Shipping Company Ltd	Marshall Islands
SBI Cronos Shipping Company Ltd	Marshall Islands
SBI Echo Shipping Company Ltd	Marshall Islands
SBI Gemini Shipping Company Ltd	Marshall Islands
SBI Hera Shipping Company Ltd	Marshall Islands
SBI Hercules Shipping Company Ltd	Marshall Islands
SBI Hermes Shipping Company Ltd	Marshall Islands
SBI Hydra Shipping Company Ltd	Marshall Islands
SBI Hyperion Shipping Company Ltd	Marshall Islands
SBI Jaguar Shipping Company Ltd	Marshall Islands
SBI Jive Shipping Company Ltd	Marshall Islands
SBI Lambada Shipping Company Ltd	Marshall Islands
SBI Leo Shipping Company Ltd	Marshall Islands
SBI Libra Shipping Company Ltd	Marshall Islands

Entities	Country
<i>Dormant entities (continuation)</i>	
SBI Lynx Shipping Company Ltd	Marshall Islands
SBI Lyra Shipping Company Ltd	Marshall Islands
SBI Macarena Shipping Company Ltd	Marshall Islands
SBI Maia Shipping Company Ltd	Marshall Islands
SBI Mazurka Shipping Company Ltd	Marshall Islands
SBI Orion Shipping Company Ltd	Marshall Islands
SBI Parapara Shipping Company Ltd	Marshall Islands
SBI Pegasus Shipping Company Ltd	Marshall Islands
SBI Perseus Shipping Company Ltd	Marshall Islands
SBI Phoebe Shipping Company Ltd	Marshall Islands
SBI Phoenix Shipping Company Ltd	Marshall Islands
SBI Pisces Shipping Company Ltd	Marshall Islands
SBI Poseidon Shipping Company Ltd	Marshall Islands
SBI Reggae Shipping Company Ltd	Marshall Islands
SBI Rock Shipping Company Ltd	Marshall Islands
SBI Rumba Shipping Company Ltd	Marshall Islands
SBI Samba Shipping Company Ltd	Marshall Islands
SBI Samson Shipping Company Ltd	Marshall Islands
SBI Sousta Shipping Company Ltd	Marshall Islands

Note 28

Group Information

Continued from previous page

Entities	Country
<i>Dormant entities (continuation)</i>	
SBI Subaru Shipping Company Ltd	Marshall Islands
SBI Swing Shipping Company Ltd	Marshall Islands
SBI Tango Shipping Company Ltd	Marshall Islands
SBI Taurus Shipping Company Ltd	Marshall Islands
SBI Tethys Shipping Company Ltd	Marshall Islands
SBI Thalia Shipping Company Ltd	Marshall Islands
SBI Ursa Shipping Company Ltd	Marshall Islands
SBI Virgo Shipping Company Ltd	Marshall Islands
SBI Zeus Shipping Company Ltd	Marshall Islands
SBI Zumba Shipping Company Ltd	Marshall Islands



Note 29

Events After Reporting Period

Increased funding commitment

On 7 February 2024, the Group has secured additional capital, increasing the Holdco Facility from EUR 50 million to EUR 80 million. The purpose of the Holdco Facility is, among others, partial funding of the wind installation activities of the Group and general corporate purposes.

Private placement

The Company conducted a successful private placement, which was completed on 15 February 2024, resulting in the issuance of 39.5 million shares at a price of NOK 44.50 per share. Overall, the Company raised approximately EUR 154 million (USD 166 million) before transaction costs. The proceeds from the private placement will fund two main objectives. Firstly, they will fully finance the equity portion of Cadeler's planned third A-Class Wind Foundation Installation Vessel newbuild, accounting for approximately 35% of its total expected vessel cost. Secondly, the funds will be allocated towards acquiring mission equipment and building working capital. This will enable Cadeler to capitalise on selected near-term commercial opportunities, including utilising turbine installation vessels for T&I foundation scopes, accelerating the realisation of commercial synergies, and seizing other opportunities resulting from supply chain bottlenecks and project delays in the coming years.

Increased funding utilisation

On 22 March 2024, the Group utilised EUR 50 million of the EUR 100 million term loan available from the New Debt Facility, as the Wind Orca main crane upgrade nears completion. Additionally, the Group is in the process of requesting the utilisation of the remaining EUR 50 million. This utilisation is related to the Wind Osprey main crane upgrade, also in its final stages.

Note 30

Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors and Executive Management of Cadeler A/S on 26 March 2024 and will be recommended for approval by the shareholders of the Company at the annual general meeting to be held on 23 April 2024.



Parent Company Financial Statements



Parent Company Statement of Profit and Loss

EUR'000	Note	2023	2022	2021
Revenue	2	108,810	108,443	62,849
Cost of sales	3	(57,077)	(60,269)	(51,134)
Gross profit		51,733	48,174	11,715
Administrative expenses	3	(33,666)	(15,291)	(10,962)
Operating profit		18,067	32,883	753
Finance income		1,362	4,031	1,784
Finance costs		(8,081)	(9,660)	(5,461)
Profit/(loss) before income tax		11,348	27,254	(2,924)
Income tax credit/expense	5	-	-	13
Profit/(loss) for the year		11,348	27,254	(2,911)

Parent Company Balance Sheet

EUR'000	Note	2023	2022	2021
Assets				
Non-current assets				
Intangible assets	7	240	419	402
Property, plant and equipment	8	369,154	321,055	139,912
Financial assets				
Investments in subsidiaries	9	745,489	249,534	249,534
Leasehold deposits		1,220	238	195
Derivatives	11	338	3,376	-
Total financial assets		747,047	253,148	249,729
Total non-current assets		1,116,441	574,622	390,043

EUR'000	Note	2023	2022	2021
Current assets				
Inventories		1,836	549	440
Receivables				
Trade receivables		35,227	38,234	20,373
Receivables from subsidiaries		91,510	89,533	36,301
Current Income tax receivable		12	12	-
Other current assets		5,212	708	649
Total receivables		131,961	128,487	57,323
Cash and bank balances		59,436	19,012	2,308
Total current assets		193,233	148,048	60,071
Total assets		1,309,674	722,670	450,114

Parent Company Balance Sheet

Continued from previous page

EUR'000	Note	2023	2022	2021
Equity				
Share capital	14	41,839	26,575	18,641
Share premium		952,858	509,542	339,400
Reserves		(17,938)	1,343	
(Accumulated losses)/retained earnings		(23,968)	(12,831)	(40,437)
Total equity		952,791	524,629	317,604
Liabilities				
Non-current liabilities				
Debt to credit institutions	12	204,773	114,230	44,476
Deferred charter hire income		1,778	1,326	969
Derivatives	11	17,957	2,108	-
Total non-current liabilities		224,508	117,664	45,445

EUR'000	Note	2023	2022	2021
Current liabilities				
Debt to credit institutions	12	799	772	28,599
Deferred charter hire income		10,190	1,831	15,187
Trade and other payables		16,437	7,997	7,266
Payables to related parties		10	89	63
Payables to subsidiaries		100,922	69,688	35,944
Current income tax liabilities		13	-	6
Derivatives	11	4,004	-	-
Total current Liabilities		132,375	80,377	87,065
Total liabilities		356,883	198,041	132,510
Total equity and liabilities		1,309,674	722,670	450,114

Parent Company Statement of Changes in Equity

EUR'000	Note	Share capital	Share premium	Hedging reserves	(Accumulated losses)/ retained earnings	Total
2023						
Beginning of financial year		26,575	509,542	1,343	(12,831)	524,629
Profit for the year		-	-	-	11,348	11,348
Value adjustments of hedging instruments		-	-	(19,281)	-	(19,281)
Registration of new shares in relation with December 2023 business combination	9	15,264	450,271	-	-	465,535
Costs incurred in connection with listing		-	(6,955)	-	-	(6,955)
Changes from business combination		-	-	-	(23,619)	(23,619)
Share-based payments		-	-	-	1,134	1,134
End of financial year		41,839	952,858	(17,938)	(23,968)	952,791
2022						
Beginning of financial year		18,641	339,400	-	(40,437)	317,604
Profit for the year		-	-	-	27,254	27,254
Value adjustments of hedging instruments		-	-	1,343	-	1,343
Capital increase May 2022		3,518	81,234	-	-	84,752
Costs incurred in connection with May 2022 capital increase		-	(2,305)	-	-	(2,305)
Capital increase October 2022		4,416	94,082	-	-	98,498
Costs incurred in connection with October 2022 capital increase		-	(2,869)	-	-	(2,869)
Share-based payments		-	-	-	352	352
End of financial year		26,575	509,542	1,343	(12,831)	524,629

Parent Company Statement of Changes in Equity

Continued from previous page

EUR'000	Note	Share capital	Share premium	Hedging reserves	(Accumulated losses)/ retained earnings	Total
2021						
Beginning of financial year		15,557	265,741	-	(37,526)	243,772
Profit for the year		-	-	-	(2,911)	(2,911)
Capital increase April 2021		3,084	76,134	-	-	79,218
Costs incurred in connection with April 2021 capital increase		-	(2,154)	-	-	(2,154)
Share-based payments		-	(321)	-	-	(321)
End of financial year		18,641	339,400	-	(40,437)	317,604



Notes to the Parent Company Financial Statements



Notes to the Parent Company Financial Statements

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Note 1

Accounting Policies

The Parent Company financial statements of Cadeler A/S for 2023 have been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class D entities.

The Parent Company's accounting policies on recognition and measurement are generally consistent with those of the Group. For accounting policies with differences between the Parent Company's accounting policies and the Group's accounting policies are described below.

Changes in accounting policies

The Parent Company financial statements have been prepared using the same accounting policies as last year. Disclosure requirements have been stated to comply with the requirements of the Danish Financial Statements Act.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement of Cadeler A/S.

Dividends from subsidiaries

Dividends from subsidiaries are recognised in the income statement in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Revenue

The Company has chosen IFRS 15 under Danish GAAP as interpretation for revenue recognition. For further information on accounting policies refer to Note 2 in the consolidated financial statements.

The Company revenue includes intercompany transactions with Wind Orca and Wind Osprey which are governed by the ship management agreements. The Company charges revenue from the Wind entities during off-hire periods (off-hire ship management costs).

Investments in subsidiaries

Investments in subsidiaries are initially measured at cost less impairment. Dividends received that exceed the accumulated earnings in the subsidiary during the period of ownership are treated as a reduction of cost. Costs in connection with the purchase of subsidiaries are included in the cost price. Where the cost exceeds the recoverable amount, an impairment loss is recognised to this lower value.

Note 1

Accounting Policies

Continued from previous page

The carrying amount of investments in subsidiaries is tested for impairment at least once a year or sooner if impairment indication arises.

Derivatives and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value over profit and loss. Derivatives are carried as financial assets, presented under derivatives assets, when the fair value is positive and as financial liabilities, presented under derivatives liabilities, when the fair value is negative.

The Company has chosen to apply IFRS 9 approach for derivatives and hedge accounting. For further details on the accounting policies, refer to Note 2 in the Consolidated Financial Statements.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the assets' estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Other fixtures and fittings	2 to 3 years

Share capital

Ordinary shares are classified as equity. Costs related to the issue of new shares are recognised in equity.

Share premium reserve and retained earnings

Capital increase is categorised as equity. Share premium reserve signifies the capital contributed by investors exceeding the nominal value of the shares issued, net of any incremental costs directly associated with the issuance of new shares. Retained earnings include results from previous periods, changes to equity arising from business combination purchase price, and share-based payments.

Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Note 1

Accounting Policies

Continued from previous page

Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in equity and presented under "Hedging reserves" (equity).

Leasing with the Company as lessee

The Company has decided to apply IAS 17 as the basis of accounting for leases. Applying IAS 17, operating lease expenses are recognised as incurred on a straight line basis over the lease term.

Note 2

Revenue

Refer to Note 3 in the Consolidated Financial Statements for disclosure of revenue.

Parent Company revenue further includes revenue from related parties totalling EUR 3.6 million (2022: EUR 2 million; 2021: EUR 1.9 million). Related party revenue consists of income derived from managing and maintaining the two windfarm installation vessels during off-hire periods.

Deferred income relate to consideration received from customers for the unsatisfied performance obligation in the charter contracts. Revenue will be recognised when the related services are provided to the customers. For further information on accounting policies refer to Note 2.3 in the consolidated financial statements.

Segment information

The Group's management are not operating or making decisions based on customer types, type of service, revenue streams or geographical segments. The Group operates four windfarm installation vessels, which are viewed as one segment and can operate in all geographical areas required for the specification of a specific windfarm project. Accordingly, the Group only has one operating segment.

Note 3

Expenses by Nature

EUR'000	Note	2023	2022	2021
Cost of sales				
Bareboat charter hire		29,508	33,638	29,919
Insurance		42	231	182
Crewing costs paid to a related party and an external party	15	-	61	11,517
Seafarer payroll	4	14,420	13,089	1,159
Fuel and oil		501	1,113	892
Maintenance		4,917	4,039	2,304
Messing costs		1,398	1,428	1,224
Seafarer travel		2,835	2,589	1,876
Specific charter costs		2,882	3,088	1,239
Utilities		389	689	542
Other operating expenses		190	309	263
Tonnage tax		(5)	(5)	17
Total cost of sales		57,077	60,269	51,134

EUR'000	Note	2023	2022	2021
Administrative expenses				
Depreciation and amortisation	7, 8	504	273	136
Employee compensation	4	18,983	9,905	7,492
Repair and maintenance expenses		1,123	796	665
Legal and professional fees		1,406	1,047	564
Transaction costs		7,707		
Rental expenses		731	940	898
Travel expense		965	612	305
Management fees to related party	15	-	1	115
Marketing and entertainment expenses		601	788	212
Other expenses		1,646	929	575
Total administrative expenses		33,666	15,291	10,962

Note 3

Expenses by Nature

Continued from previous page

Auditor remuneration

Administrative expenses include fees to the auditors appointed by the shareholder at the Annual General Meeting:

EUR'000	2023	2022	2021
Statutory audit	464	125	92
Tax services	-	105	50
Other assurance services	1,608	-	8
Other services	606	51	14
Total	2,678	281	164

Statutory audit services consist of fees for professional services rendered by EY for the audit of our annual consolidated financial statements and services that are provided by the auditor in connection with statutory audit.

Other assurance services including re-audits and assurance reports in respect of pro-forma financial information in connection with regulatory filings, and review of interim financial information.

Tax services consists of Tax compliance services.

Other services consists of services provided for other permitted services, including fees for work performed in connection with the U.S. listing in December 2023.



Note 4

Employee Compensation

Onshore - presented within administrative expenses

EUR'000	Note	2023	2022	2021
Wages and salaries		16,671	8,873	6,637
Employer's contribution to defined contribution plans		819	502	350
Share based payment expense	10	1,134	352	360
Other short-term benefits		359	178	145
		18,983	9,905	7,492
Average number of full time employees		105	70	58

Offshore - presented within cost of sales

EUR'000	2023	2022	2021
Wages and salaries	13,190	11,693	1,097
Employer's contribution to defined contribution plans	1,060	1,082	60
Other short-term benefits	170	314	2
	14,420	13,089	1,159
Average number of full time employees	167	162	12

Offshore crew was hired directly by the Company by the end of November 2021. Average number of full-time employees in 2021 reflect the number of seafarers divided by 12 months. The Company had 148 seafarers by the end of 2021.

Total

EUR'000	2023	2022	2021
Wages and salaries	29,861	20,566	7,734
Employer's contribution to defined contribution plans	1,879	1,584	410
Share based payment expense	1,134	352	360
Other short-term benefits	529	492	147
	33,403	22,994	8,651
Average number of full time employees	272	232	70

Note 5

Tax

EUR'000	2023	2022	2021
Tax expense attributable to profit is made up of:			
Utilisation of non-recognised tax losses offset against Danish Tonnage Tax expense	-	-	(13)
Total	-	-	(13)

An expansion of the Danish tonnage tax regime to cover wind farm installation vessels was passed in January 2020 with retroactive effect from 2017, 2017 inclusive.

On 15 December 2020, Cadeler A/S received a binding ruling from the Danish Tax Authorities. According to this, Cadeler A/S was able to apply the Danish Tonnage Taxation after the listing of the shares 27 November 2020. Management applied the Danish Tonnage Taxation during 2021. The recorded tonnage tax expense for 2023 in Denmark amounts to EUR 0 thousand.

Cadeler A/S also has material tax losses from previous periods available for carry forward. Such tax losses can be utilised against future tonnage taxation income and other income, which does not qualify for tonnage taxation. The tax value of tax losses to be carried forward as of 31 December 2023 are in the region of EUR 13 million. The tax losses are not subject to expiration.

Tonnage taxes are not to be accounted for as income tax, accordingly the costs are presented as part of cost of sales. No tax expense has been recognised in 2023 in relation to Danish Tonnage tax.

Note 6

Board of Directors and Management Compensation

EUR'000	2023			2022			2021		
	Board of directors	Executive management	Total	Board of directors	Executive management	Total	Board of directors	Executive management	Total
Wages, salaries and board fees	183	850	1,033	180	683	863	180	650	830
Share based payment	-	588	588	-	173	173	-	164	164
Other short-term benefits	-	55	55	-	36	36	-	23	23
Cash bonus	-	1,155	1,155	-	482	482	-	314	314
Total Management Compensation	183	2,648	2,831	180	1,374	1,554	180	1,151	1,331

Executive management means the members of the executive management which were registered with the Danish business authority and who have the authority and responsibility for the planning, directing and controlling activities of the Company as defined by IAS24.

Andreas Sohmen-Pao and Andreas Beroutsos are employed by the BW Group. These board members have not received remuneration from Cadeler in 2021, 2022 and 2023. Andreas Beroutsos stepped down from the Board with effect from 25 April 2023. On the same date, Andrea Abt joined the Board.

David Peter Cogman is employed by the Swire Group and has not received remuneration from Cadeler in 2021, 2022 and 2023. David Peter Cogman stepped down from the Board with effect from 16 June 2023 along with Connie Hedegaard

On 20 February 2024, Emanuele Lauro and James Nish joined the Board. Emanuele Lauro is the Director and Chief Executive Officer of Scorpio Holdings Limited considered a related party (See Note 27)

Note 7

Intangible Assets

EUR'000	2023	2022	2021
Software			
Cost			
Beginning of period	662	434	-
Additions	31	228	434
31 December	693	662	434
Accumulated amortisation			
Beginning of period	243	32	-
Amortisation charge	210	211	32
31 December	453	243	32
Net book value	240	419	402

Additions during 2023 are mainly related to further developments of the Company software solutions.

While 2021 additions were mainly implementation costs for Enterprise Resource and Planning (ERP), Vessel and Crew Management software, 2022 additions are mainly further developments of these initially implemented solutions.



Note 8

Property, Plant and Equipment

EUR'000	Other fixtures and fittings	Assets under construction	Total
Cost 2023			
Beginning of financial year	536	320,964	321,500
Additions	3	47,506	48,105
31 December 2023	539	368,470	369,605
Accumulated depreciation			
Beginning of financial year	445	-	445
Depreciation charge	6	-	6
31 December 2023	451	-	451
Net book value	88	368,470	369,154

Additions during 2023 are mainly driven by down payments of EUR 19.2 million for the new P-Class installation vessels (EUR 15.4 million) and the new A-Class foundation installation vessels (EUR 3.8 million), represented above on Assets under Construction. In addition, Assets under Construction contains EUR 7.6 million worth of guarantee fees to BW Group related to the A-Class and P-Class newbuild vessels as well as EUR 2.2 million of assets related to future projects that have not yet started.

Borrowing costs for 2023 has been capitalised for a total of EUR 7.1 million (2022: EUR 4.2 million). The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the reported period, in this case 5.5% (2022: 5.7%).

EUR'000	Other fixtures and fittings	Assets under construction	Total
Cost 2022			
Beginning of financial year	536	139,760	140,296
Additions	0	181,204	181,204
End of financial year	536	320,964	321,500
Accumulated depreciation			
Beginning of financial year	386	-	386
Depreciation charge	59	-	59
End of financial year	445	-	445
Net book value	91	320,964	321,055

Additions during 2022 are mainly driven by the down payments of the two new F-Class foundation installation vessels for EUR 167 million (in 2021 EUR 137 million was related to down payments of the two P-Class wind turbine installation vessels ("WTIVs"), represented above on Assets under Construction.



Note 8

Property, Plant and Equipment

Continued from previous page

EUR'000	Other fixtures and fittings	Assets under construction	Total
Cost 2021			
Beginning of financial year	379	-	379
Additions	157	139,760	139,917
End of financial year	536	139,760	140,296
Accumulated depreciation			
Beginning of financial year	280	-	280
Depreciation charge	106	-	106
End of financial year	386	-	386
Net book value	150	139,760	139,910

Note 9

Investment in Subsidiaries

Here below the movements related to the investments in subsidiaries:

EUR'000	2023	2022	2021
Cost			
Beginning of financial year	249,534	249,534	249,534
Additions	495,955	-	-
End of financial year	745,489	249,534	249,534
Impairment			
Beginning of financial year	-	-	-
End of financial year	-	-	-
Carrying amount	745,489	249,534	249,534

The list of subsidiaries is detailed in Note 28 of the Consolidated Financial Statements.

An additional EUR 496 million pertains to a business combination, where Cadeler A/S acquired 100% of shares in Eneti through a share exchange, as outlined in Note 6 of the consolidated financial statements.

The shares are recorded at a cost price of EUR 496 million, inclusive of acquisition-related expenses amounting to EUR 15 million. This cost comprises the fair value of shares issued, totalling EUR 441 million, and a squeeze-out payment of EUR 55 million.

All transaction costs incurred are included in the cost, differing from the presentation in the consolidated financial statements, where some are expensed while others are deducted from equity.

Further details regarding the issuance of shares in connection with the business combination are provided in Note 13.

In the process of acquiring Eneti, and based on the valuation as of 19 December 2023, all value adjustments have been incorporated to reflect fair values at the acquisition date. As of 31 December 2023, no changes or indicators of impairment that could significantly affect valuation have been identified by Management. Therefore, no impairment has been recognised. The carrying amount of investments in subsidiaries undergoes impairment testing at least annually, or more frequently if impairment indicators arise. For additional information regarding the acquisition of Eneti, please refer to Note 6 of the Consolidated Financial Statements.



Note 10

Share Based Payments

Share based payment is disclosed in Note 8 to the Consolidated Financial Statements.

Note 12

Debt to credit institutions

The total amount of utilised debt, amounting to EUR 212 million, is due within 5 years.

Note 11

Derivatives

Derivative Financial Instruments are disclosed in Note 25 to the Consolidated Financial Statements.

Note 13

Off Balance Sheet Obligations and Commitments

The Company has off balance sheet obligations relating to the leasing of vessels from its subsidiaries Wind Orca Ltd and Wind Osprey Ltd. The lease has no fixed expiry and is expected to continue for the duration of the contract backlog. The annual off balance sheet obligations of the vessels are estimated to be up to EUR 39 million, depending on the number of days on hire.

New headquarters from 2024

The Company signed a contract with Castellum Denmark for a new headquarters location from 2024, which will reflect at the balance sheet in Q1 2024. The Company will have access to almost 5,000 m² of office space in central Copenhagen. The contract for a ten year period, with a six years bidding period, amounted to EUR 13 million. The Company paid EUR 1 million as a deposit fee for this contract.

P-Class vessels

Since 30 June 2021 the Company has a contract with COSCO SHIPPING Heavy Industry to build two new P-Class WTIVs. The total sum of the contract for the new vessels is approximately EUR 572 million, of which EUR 137 million was paid in 2021 and EUR 14 million was paid in 2023. The remaining scheduled payments will be due between 2024 and 2025. Of the total contract, USD 390 million will be paid in USD and EUR 220 million will be paid in EUR.

A-Class vessels

On 9 May 2022 and 22 November 2022 the Company signed additional contracts with COSCO SHIPPING Heavy Industry to build a total of two new A-Class foundation installation vessel. The total sum of the contracts for the new vessel is approximately EUR 657 million, of which approximately a total of EUR 167 million was paid in 2022, while the remaining amounts will be due over the years from 2025 to 2026. Of the total contract, USD 495 million will be paid in USD and EUR 205 million will be paid in EUR.

More information regarding remaining instalments for the newbuilds vessels can be found in Note 23 to the Consolidated Financial Statements.

Financial liabilities: Interest-bearing loans and borrowings

Terms and covenants regarding the Debt Facilities are disclosed in Note 26 to the Consolidated Financial Statements.

Note 14

Issued Share Capital

Thousands	No. of shares	2023	2022	2021
Ordinary shares				
Beginning and end of financial year 2021	138,574	26,575	18,641	18,641
Issued on May 2022 for capital increase	26,176	-	3,518	-
Issued on October 2022 for capital increase	32,850	-	4,416	-
Issued on December 2023 for capital increase	113,809	15,263	4,416	-
End of financial year 2023	311,409	41,838	26,575	18,641

As of 1 January 2023, the Group's issued and paid in share capital amounted to DKK 197,600 thousand, equal to EUR 26,575 thousand, consisting of 197,600,000 shares of DKK 1.

In June 2023, Cadeler and Eneti entered into a Business Combination Agreement, executed through a stock-for-stock exchange offer made to all stockholders of Eneti. In December 2023, the share exchange offer was successfully completed and, consequently, the registration of the share capital increase.

In December 2023, the authorised share capital was increased by DKK 113,809 thousand, equal to EUR 15,263 thousand, consisting of 113,809,868 shares of DKK 1.

At the end of 2023, the Group had share capital amounting to DKK 311,409 thousand, equal to EUR 41,838 thousand, consisting of 311,409,868 shares of DKK 1.

All shares have equal rights.

Note 15

Related Parties

Cadeler A/S' related parties comprise the subsidiaries, mentioned in Note 9, which are fully owned by the Company.

Cadeler A/S' related party transactions comprise revenue from the subsidiaries of EUR 3.6 million related to managing and maintaining the vessels during off-hire periods as well as operating lease expenses paid to the subsidiaries of EUR 29.5 million related to the vessels during on-hire periods.

Cadeler A/S also has related parties transactions as disclosed in the Consolidated Financial Statements.

Note 16

Appropriation of Profit and Loss

EUR'000	2023	2022	2021
Recommended appropriation of Profit and Loss			
Retained earnings/accumulated loss	11,348	27,254	(2,911)
	11,348	27,254	(2,911)

Note 17

Events After Reporting Period

Increased funding commitment

On 7 February 2024, the Group has secured additional capital, increasing the Holdco Facility from EUR 50 million to EUR 80 million. The purpose of the Holdco Facility is, among others, partial funding of the wind installation activities of the Group and general corporate purposes.

Private placement

The Company conducted a successful private placement, which was completed on 15 February 2024, resulting in the issuance of 39.5 million shares at a price of NOK 44.50 per share. Overall, the Company raised approximately EUR 154 million (USD 166 million) before transaction costs. The proceeds from the private placement will fund two main objectives. Firstly, they will fully finance the equity portion of Cadeler's planned third A-Class Wind Foundation Installation Vessel newbuild, accounting for approximately 35% of its total expected vessel cost. Secondly, the funds will be allocated towards acquiring mission equipment and building working capital. This will enable Cadeler to capitalise on selected near-term commercial opportunities, including utilising turbine installation vessels for T&I foundation scopes, accelerating the realisation of commercial synergies, and seizing other opportunities resulting from supply chain bottlenecks and project delays in the coming years.

Increased funding utilisation

On 22 March 2024, the Group utilised EUR 50 million of the EUR 100 million term loan available from the New Debt Facility, as the Wind Orca main crane upgrade nears completion. Additionally, the Group is in the process of requesting the utilisation of the remaining EUR 50 million. This utilisation is related to the Wind Osprey main crane upgrade, also in its final stages.





Statement by Management



Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Cadeler A/S for 2023.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The Parent Company financial statements are prepared in accordance with the Danish Financial Statements Act. Further, the annual report is prepared in accordance with additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of their operations and the consolidated cash flows for the financial year 1 January – 31 December 2023.

In connection with digital filing under the ESEF regulation, in our opinion, the annual report for the financial year ended 31 December 2023, has been prepared in all material respects in compliance with the ESEF regulation.

Further, in our opinion, the management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, results for the year, consolidated cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 26 March 2024

Executive Management

Mikkel Gleerup
CEO

Peter Brogaard Hansen
CFO

Board of Directors

Andreas Sohmen-Pao
Emanuele Lauro
Jesper T. Lok
Ditlev Wedell-Wedellsborg
Andrea Abt
James B. Nish





Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Cadeler A/S

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Cadeler A/S for the financial year 1 January – 31 December 2023, which comprise balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group and the Parent Company, a consolidated statement of profit and loss and other comprehensive income and a consolidated statement of cash flow for the Group, and a statement of profit and loss for the Parent Company. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the IASB and as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2023 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with IFRS Accounting Standards as issued by the IASB and as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2023 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(f) of Regulation (EU) no. 537/2014.

Appointment of auditor

Cadeler A/S' shares were initially listed on Nasdaq Oslo in November 2020. Subsequent to the listing, we were appointed by resolution of the general meeting held on 29 April 2021 for the financial year 2021 and since the listing, we have been reappointed annually by resolution of the general meeting for a total consecutive period of 3 years up until the financial year 2023.

Independent Auditor's Report

Continued from previous page

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2023. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Accounting for business combination

On 19 December 2023, Cadeler acquired 86.39% of shares in Eneti Inc. via a share exchange offer. The remaining shares were acquired through a squeeze-out merger on 29 December 2023.

Identification of assets and liabilities as part of the acquisition of Eneti Inc. is considered a key judgement by Management, whereas the determined fair values of the identified assets and liabilities are considered to be key estimates applied by Management.

In order to determine the preliminary fair value of the identified vessels, Management has applied external market valuations carried out by professional appraisers. Fair value was furthermore substantiated by an income approach, based on the present values of

the expected cash flows. The income approach uses a number of significant assumptions regarding the expected day rates, level of utilisation, profitability and discount rate.

In order to determine the preliminary fair value of the identified vessels under construction, Management has applied the lowest value of recognised costs of vessels under construction and value derived taking an income approach, based on the present values of the expected cash flows. The income approach uses a number of significant assumptions regarding the expected day rates, level of utilisation, profitability and discount rate.

Further, to determine the preliminary fair value of liabilities, the most significant judgement and assumptions relates to the fair value of a single onerous contract linked to a vessel held for sale, which, by nature, is subject to significant judgement and estimate by Management.

We focused on this area because purchase price allocation requires significant estimation by Management in determining the fair value of identified assets and liabilities, which is significantly sensitive to changes in those applied assumptions.

We refer to note 6 in the Consolidated Financial Statements.

How we addressed the matter in our audit

We assessed whether the acquisition met the criteria for a business combination.

We performed risk assessment procedures and obtained an understanding of the business processes and relevant controls for accounting for business combinations, including performed assessment of whether the controls were designed to effectively address the risk of material misstatements.

Independent Auditor's Report

Continued from previous page

We verified the assets and liabilities recognised in the opening balance sheet by performing audit procedures in relation to the opening balance sheet.

We tested management's process and methodology (including assessing the competence and objectivity of management's expert and of the professional appraisers involved) for determining fair values.

We included our in-house valuation specialists to evaluate the appropriateness of the valuation techniques used by management's experts and the professional appraisers involved, including tests of the completeness and accuracy of the models.

We challenged tested the significant assumptions applied by Management, including the expected day rates, level of utilisation, profitability and discount rate used to determine the preliminary fair value of the acquired assets and liabilities in the business combination, including vessels and vessels under construction. We compared the assumptions used by management to days rates and utilisation levels for comparable vessels. We compared the forecasts from the business case of the acquisition to assumptions applied to the calculation of fair value of acquired assets and liabilities.

We challenged tested the significant judgement and assumptions made applied by Management in relation to the preliminary fair value of the single onerous contract linked to a vessel disposed of prior to the completion of the merger.

We assessed the appropriateness of the disclosure in note 6 of the Consolidated Financial Statements.

Revenue recognition

Based on the Group's contracts with customers, the Group generates revenue from two main revenue streams: revenue from time charter contracts and time charter related activities (referred to as time charter revenue stream) and revenue from transportation and installation (referred to as transportation and installation revenue stream).

Evaluating the criteria for revenue recognition under the Group's contracts with customers requires Management's judgement to assess and determine lease component and non-lease components within the contracts. For non-lease components, Management's judgement is required to assess and determine the following:

- Identification of performance obligations within the contract and determine the nature of performance obligations and whether they are distinct or should be combined with other performance obligations to determine whether the performance obligations are satisfied over time or at a point in time.
- Determine the transaction price
- Allocation of transaction price to performance obligations to determine the stand-alone selling price of each performance obligation identified in the contract

For revenue recognised over time as the service is being provided, Management is required to estimate progress using either an input or out-put method. This is a key estimate.

Independent Auditor's Report

Continued from previous page

We focused on this area because revenue recognition requires significant judgement by Management to assess and determine lease component and non-lease components within the contracts, as well as identification of performance obligations and estimation by Management in determining the progress of service provided, which is significantly sensitive to changes in those applied assumptions.

We refer to note 2 and note 3 in the Consolidated Financial Statements.

How we addressed the matter in our audit

We discussed the recognition principles with Management, including contracts with customers and the assessment and determination of lease component and non-lease components within the contracts, as well as identification of performance obligations and estimation of progress of services provided.

We tested a sample of revenue transactions to underlying contracts with customers, including the assessment and determination of lease component and non-lease components within the contracts, as well as identification of performance obligations and estimation of progress of services provided.

We obtained Management's calculations and evaluated tested the mathematical accuracy and internal consistency hereof. Further, we assessed and tested key data inputs and significant assumptions and recalculated the measurement of progress of services provided.

We assessed the appropriateness of the disclosure in note 2 and 3 the Consolidated Financial Statements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

Independent Auditor's Report

Continued from previous page

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

Continued from previous page

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on

our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of Cadeler A/S, we performed procedures to express an opinion on whether the annual report of Cadeler A/S for the financial year 1 January – 31 December 2023 with the file name cadeler-2023-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- ▶ The preparing of the annual report in XHTML format;

Independent Auditor's Report

Continued from previous page

- ▶ The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- ▶ Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- ▶ For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- ▶ Testing whether the annual report is prepared in XHTML format;
- ▶ Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- ▶ Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- ▶ Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- ▶ Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- ▶ Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Cadeler A/S for the financial year 1 January – 31 December 2023 with the file name cadeler-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 26 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mikkel Sthyr
State Authorised
Public Accountant
mne26693

Christian Schwenn Johansen
State Authorised
Public Accountant
mne33234



Forward-looking Statements



Forward-Looking Statements

The annual report contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates.

Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "in-tends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in the annual report, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Such factors may for example include a change in the price of raw materials.

None of the Company or any of its parent or subsidiaries undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in the annual report or the actual occurrence of the forecasted developments.

The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to its actual results.

The annual report contains information obtained from third parties. You are advised that such third-party information has not been prepared specifically for inclusion in the annual report and the Company has not undertaken any independent investigation to confirm the accuracy or completeness of such information.

Several other factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in the annual report.

Should any risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the annual report.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its subsidiaries or shareholders or any officers, directors, board members or employees accept any liability whatsoever arising directly or indirectly from the use of the annual report.



Alternative Performance Measures



Alternative Performance Measures

Group

Non-IFRS Financial Measures

To supplement its financial information presented in accordance with IFRS, the Cadeler Group uses certain non-IFRS metrics, including EBITDA, and Adjusted EBITDA, when measuring performance, including when measuring current period results against prior periods. Because of its non-standardised definition, these non-IFRS measures (unlike IFRS measures) may not be comparable to the calculation of similar measures of other companies. These supplemental non-IFRS measures are presented solely to permit investors to more fully understand how the Cadeler Group management assesses underlying performance.

These supplemental non-IFRS measures are not, and should not, be viewed as a substitute for IFRS measures. Management believes the presentation of these non-IFRS measures provides investors with greater transparency and supplemental data relating to the Cadeler Group's financial condition and results of operations, and therefore a more complete understanding of factors affecting its business and Cadeler Group's operating performance. In addition, management believes the presentation of these non-IFRS measures is useful to investors for period-to-period comparison of results as the items may reflect certain unique and/or non-operating items such as asset sales, write-offs, contract termination costs or items outside of management's control.

As a performance measure, the Company uses EBITDA: Earnings before interest, tax, depreciation, amortisation and foreign exchange gains/losses.

EBITDA is calculated as shown below:

EUR'000	Note	2023	2022	2021
Operating profit or loss as reported in the statement of profit		14,443	41,191	11,134
Right-of-use asset amortisation	16	334	-	276
Depreciation and amortisation	14, 15	22,714	22,684	16,216
Impairment of property, plant and equipment		5,000	-	-
EBITDA		42,491	63,875	27,626
Transactional costs	4	7,707	-	-
Adjusted EBITDA		50,198	63,875	27,626

The table above shows a reconciliation from EBITDA to Adjusted EBITDA. Transactional costs include all costs related to the business combination with Eneti, such as advisory, legal and consulting fees, which are included in administrative expenses.

Transactional costs comprise significant unusual and/or infrequently occurring items that are not attributable to Cadeler's normal operations.

ESG Appendices



Appendix ESG.1 - SASB Sustainability Disclosure Topics and Accounting Metrics for Engineering and Construction Services

Topic	Accounting metric	Value	Category	Unit of measurement	CODE
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards and regulations	0	Quantitative	Number	IF-EN-160a.1
	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	See page 45-55 of annual report	Discussion and analysis	n/a	IF-EN-160a.2
Structural Integrity and Safety	Amount of defect and safety related rework costs	0	Quantitative	Reporting currency	IF-EN-250a.1
	Total amount of monetary losses as a result of legal proceedings associated with defect and safety related incidents	0	Quantitative	Reporting currency	IF-EN-250a.2
Workforce Health and Safety	(1) Total recordable incident rate and (2) fatality rate for (a) direct employees and (b) contract employees	(1) 1.75 cases per million hours worked (2) 0 Cadeler only has rates for direct employees	Quantitative	Rate	IF-EN-320a.1
Lifecycle Impacts of Buildings and Infrastructure	Number of (1) commissioned projects certified to a third party multi-attribute sustainability standard and (2) active projects seeking such certification	(1) 0 (2) 0	Quantitative	Number	IF-EN-410a.1
	Discussion of process to incorporate operational phase energy and water efficiency considerations into project planning and design	See page 45-55 of annual report	Discussion and analysis	n/a	IF-EN-410a.2

Topic	Accounting metric	Value	Category	Unit of measurement	CODE
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	(1) 0 (2) 1581 m	Quantitative	Reporting currency	IF-EN-410b.1
	Amount of backlog cancellations associated with hydrocarbon-related projects	0	Quantitative	Reporting currency	IF-EN-410b.2
	Amount of backlog for non-energy projects associated with climate change mitigation	0	Quantitative	Reporting currency	IF-EN-410b.3
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	(1) 0 (2) 0	Quantitative	Number, Reporting currency	IF-EN-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	(1) 0 (2) 0	Quantitative	Reporting currency	TR-MT-110a.10
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	(1) See page 69-70 (2) See page 69-70	Discussion and analysis	n/a	TR-MT-110a.11
Activity metric		Value	Category	Unit of measurement	CODE
Number of active projects		13 total, 1 ongoing, 12 in planning	Quantitative	Number	TR-MT-110a.14
Number of commissioned projects		4	Quantitative	Number	TR-MT-110a.15
Total backlog		1581 m	Quantitative	Reporting currency	TR-MT-110a.16

Appendix ESG.2 - SASB Sustainability Disclosure Topics and Accounting Metrics for Marine Transport

Accounting metric	Value	Unit of measurement	CODE
Gross global scope 1 emissions	25479.30	Metric tons (t) CO2e	TR-MT-11a.1
Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See page 45-55 annual report	n/a	TR-MT-110a.2
Total energy consumed (excludes legacy Eneti vessels for the few days at the end of 2023 that they were in the Cadeler fleet)	123140	Gigajoules (GJ)	TR-MT-110a.3
Percentage heavy fuel oil	100	%	TR-MT-110a.3
Percentage renewable	0	%	TR-MT-110a.3
Average Energy Efficiency Design Index (EEDI) for new ships	Not applicable based on build year	Grams of CO2 per ton-nautical mile	TR-MT-110a.4
Air emissions of NOx (excluding N2O)	451.52	Metric tons (t)	TR-MT-120a.1
Air emissions of SOx	155.97	Metric tons (t)	TR-MT-120a.1
Air emissions of particulate matter (PM10)	8.34	Metric tons (t)	TR-MT-120a.1
Shipping duration in marine protected areas or areas of protected conservation status	730	Number of travel days	TR-MT-160a.1
Percentage of fleet implementing ballast water exchange	100	%	TR-MT-160a.2
Percentage of fleet implementing ballast water treatment	100	%	TR-MT-160a.2
Number of spills and releases to the environment	1	Number	TR-MT-160a.3
Aggregate volume of spills and releases to the environment	1	litres (l)	TR-MT-160a.3

Accounting metric	Value	Unit of measurement	CODE
Lost time incident rate (LTIR)	1.75	Incidents per million hours worked	TR-MT-320a.1
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0	Number	TR-MT-510a.1
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0	Reporting currency	TR-MT-510a.2
Number of marine casualties, percentage classified as very serious	0	Number, %	TR-MT-540a.1
Number of conditions of class or recommendations	1	Number	TR-MT-540a.2
Number of port state control deficiencies	0	Number	TR-MT-540a.3
Number of port state control detentions	0	Number	TR-MT-540a.3
Number of shipboard employees (end of 2023)	349	Number	TR-MT-000.A
Total distance travelled by vessels	9714.01	Nautical miles	TR-MT-000.B
Operating days	568.3	Days	TR-MT-000.C
Deadweight tonnage	50768.9	Deadweight tons	TR-MT-000.D
Number of vessels in total shipping fleet	4	Number	TR-MT-000.E
Number of vessel port calls	46	Number	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	n/a	TEU	TR-MT-000.G

Appendix ESG.3 - GRI Reporting Content Index

Cadeler has reported the information cited in this GRI content index for the period 1 Jan 2022 – 31 Dec 2022 with reference to the GRI Standards.

GRI Used – GRI 1: Foundation 2021

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 2: General Disclosures 2021	2-1 Organisational details	Note 1 of the annual report
	2-2 Entities included in the organisation's sustainability reporting	Note 1 of the annual report
	2-3 Reporting period, frequency and contact point	page 66
	2-4 Restatements of information	Boundaries for scope 1 & 3 emissions - see page
	2-5 External assurance	Sustainability section (page 37-81) not externally assured.
	2-6 Activities, value chain and other business relationships	Included in annual report Management Review
	2-7 Employees	Note 7 of the annual report and page 62
	2-8 Workers who are not employees	Not reported
	2-9 Governance structure and composition	Included in annual report Management Review, subsection Corporate Governance
	2-10 Nomination and selection of the highest governance body	Included in annual report Management Review, subsection Corporate Governance

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Included in annual report Management Review, subsection Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	The board is responsible for ensuring that the company has sound internal control and systems for risk management (including in respect of corporate values, ethical guidelines, and guidelines for corporate social responsibility) that are appropriate and in relation to the nature and extent of the company's activities. The board must, at a minimum, carry out an annual review on the company's exposure and control of risks, including CSR topics
	2-13 Delegation of responsibility for managing impacts	page 65
	2-14 Role of the highest governance body in sustainability reporting	page 66
	2-15 Conflicts of interest	pages 31-33, disclosed related parties
	2-16 Communication of critical concerns	Cases informed via the whistleblowing mechanism are handled by the whistle blowing committee who must send an update to the Audit Committee on a quarterly basis
	2-17 Collective knowledge of the highest governance body	Included in annual report Management Review, subsection Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	See 'Nomination Committee' and 'Board of Directors' sections in the Corporate Governance policy: https://www.cadeler.com/assets/uploads/Documents/Company-Policies/cadeler-corporate-governance-policy-2023.pdf
	2-19 Remuneration policies	See the Cadeler Remuneration Policy, https://www.cadeler.com/media/1571/pandion-remuneration-policy-147476308.pdf

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	See the Cadeler Remuneration Policy, https://www.cadeler.com/media/1571/pandion-remuneration-policy-147476308.pdf
	2-21 Annual total compensation ratio	Can be calculated with information in Note 7 and Note 9
	2-22 Statement on sustainable development strategy	Chairman and CEO statement and reference in SD section, pgs 37-81
	2-23 Policy commitments	page 69-70
	2-24 Embedding policy commitments	page 69
	2-25 Processes to remediate negative impacts	Formal processes not in place, will become an improvement point for Cadeler
	2-26 Mechanisms for seeking advice and raising concerns	page 66
	2-27 Compliance with laws and regulations	If any material case had occurred, it would be included in the management review
	2-28 Membership associations	Cadeler is a member of Danish Shipping
	2-29 Approach to stakeholder engagement	page 43
GRI 3: Material Topics 2021	2-30 Collective bargaining agreements	Seafarer contracts guided by collective bargaining agreements
	3-1 Process to determine material topics	page 43
GRI 205: Anti-corruption 2016	3-2 List of material topics	page 43
	3-3 Management of GRI 205	page 66
	205-1 Operations assessed for risks related to corruption	page 66
	205-2 Communication and training about anti-corruption policies and procedures	Company's Supply Chain Code of Conduct communicated to 472/797 of Company's active suppliers registered prior to the merger and to 100% of suppliers categorised as requiring such communication; supplier categories defined by the type of service/product provided to Cadeler.
	205-3 Confirmed incidents of corruption and actions taken	page 214

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 303: Water and Effluents 2018	3-3 Management of GRI 303	Page 53, 66
	303-1 Interactions with water as a shared resource	page 53
	303-5 Water consumption	page 52
GRI 305: Emissions 2016	3-3 Management of GRI 305	page 66, 45-55
	305-1 Direct (Scope 1) GHG emissions	page 52
	305-2 Energy indirect (Scope 2) GHG emissions	page 52
	305-3 Other indirect (Scope 3) GHG emissions	page 52
	305-4 GHG emissions intensity	page 50
	305-5 Reduction of GHG emissions	page 45-55
	305-6 Emissions of ozone-depleting substances (ODS)	F-Gases reported on page 52
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	page 52
GRI 403: Occupational Health and Safety 2018	3-3 Management of GRI 403	page 57
	403-1 Occupational health and safety management system	page 57, 60
	403-2 Hazard identification, risk assessment, and incident investigation	page 59
	403-3 Occupational health services	page 61
	403-4 Worker participation, consultation, and communication on occupational health and safety	page 59
	403-6 Promotion of worker health	page 61
	403-8 Workers covered by an occupational health and safety management system	page 60
	403-9 Work-related injuries	page 58

GRI Standard	Disclosure	Location/ Disclosure comment
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of GRI 405	page 66
	405-1 Diversity of governance bodies and employees	page 30,62
	405-2 Ratio of basic salary and remuneration of women to men	Not currently calculated
GRI 408: Child Labour 2016	3-3 Management of GRI 408	page 66
	408-1 Operations and suppliers at significant risk for incidents of child labour	Cadeler is in the process of reviewing and updating its supplier due diligence process to incorporate human rights considerations
GRI 409: Forced or Compulsory Labour 2016	3-3 Management of GRI 409	page 66
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Cadeler is in the process of reviewing and updating its supplier due diligence process to incorporate human rights considerations
GRI 414: Supplier Social Assessment 2016	3-3 Management of GRI 414	page 66
	414-1 New suppliers that were screened using social criteria	page 66 – Cadeler implemented process for tracking supplier acceptance of Supply Chain Code of Conduct in 2022
	414-2 Negative social impacts in the supply chain and actions taken	Not recorded in 2023
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of GRI 308	page 66
	308-1 New suppliers that were screened using environmental criteria	page 66 – Cadeler implemented process for tracking supplier acceptance of Supply Chain Code of Conduct in 2022
	308-2 Negative environmental impacts in the supply chain and actions taken	Not recorded in 2023

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Remuneration Report 2023

For the year end 31 December 2023



Cadeler A/S, Incorporated in Denmark. Registration Number (CVR no.): 3118 0503
Kalvebod Brygge 43, DK-1560 Copenhagen S, Denmark



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Remuneration Report

This remuneration report (the "**Report**") provides an overview of the total remuneration received by each member of the Board of Directors ("**Board**"), and the Executive Management ("**Executive Management**") of Cadeler A/S, CVR no. 31180503, (the "Company") during the financial year ending 31 December 2023. The Executive Management means the members of the executive management of the Company registered as such with the Danish Business Authority. Currently the Executive Management consists of Mikkel Gleerup and Peter Brogaard Hansen.

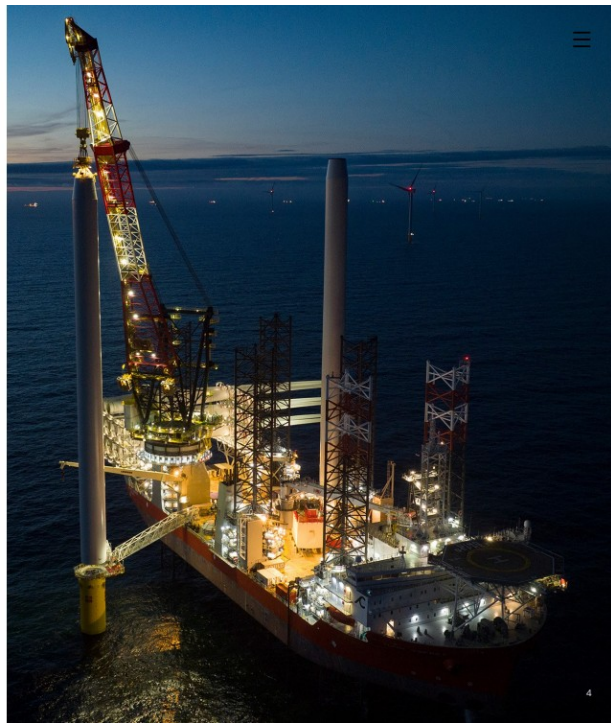
The remuneration of the Board and Executive Management has been provided in accordance with the remuneration policy of the Company adopted by the Extraordinary General Meeting on 26 October 2020 and available on the Company's website, cadeler.com, (the "**Remuneration Policy**"). The overall objective of the remuneration is to attract, motivate and retain qualified members of the Board and the Executive Management as the Company's future development and success is dependent on management performance. The remuneration of the Board and the Executive Management is designed to support the strategic goals of the Company and to promote value creation for the benefit of the shareholders of the Company.

This Report has been prepared in accordance with section 139b of the Danish Companies Act (the "**DCA**"), section 4.2.3 in Recommendations on Corporate Governance ("**Recommendations**") issued by the Danish Corporate Governance Committee and the draft European Commission Guidelines on the standardised presentation of the remuneration report under Directive. 2007/36/EC, as amended by Directive (EU) 2017/828 with regards to the encouragement of long-term shareholder engagement (the "**Guidelines**").

The information included in this Report has been derived from the audited annual report of the Company for the financial year ending 31 December 2023 available on the Company's website, cadeler.com. All amounts are gross and quoted in EUR.

Introduction

The remuneration of the Board for 2023 is in compliance with the Remuneration Policy, which stipulates that the Board may receive a fixed annual fee with the fee being prorated according to the date of the board member's election to the Board, and that the Board does not receive any incentive or share-based remuneration. The remuneration of the Executive Management is in compliance with the Remuneration Policy, and receipt of cash bonus and share based incentives have been based on performance criteria. The remuneration of the Board and the Executive Management is designed to support the Company's development by ensuring that members of the Executive Management are incentivised to achieve both financial and operational goals while supporting the long-term sustainability and development of the Company.



Board of Directors

According to the Company's Remuneration Policy, members of the Board receive a fixed annual base fee approved by the Annual General Meeting. This annual base fee, which shall be in line with market practice of comparable listed companies taking into account the required competencies, effort and scope of work of the members of the Board. The Chairman may receive an additional fixed fee of up to three times the fixed annual base fee for his/her extended duties. Ordinary members of the Audit Committee, Remuneration Committee and Nomination Committee may receive a supplementary fee of up to 50% of the fixed annual base fee, and the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee may receive a supplementary fee of up to 100% of the fixed annual base fee.

No member of the Board is entitled to receive any share-based incentive, other variable remuneration or pension contribution.

The following fees were approved at the General Meeting on 25 April 2023:

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Member	EUR 50,000 (base fee)	EUR 5,000	EUR 5,000	EUR 5,000
Chairman	EUR 100,000 (2x base fee) (waived)	EUR 10,000	EUR 10,000	EUR 10,000

Table 1 – Remuneration of Board for 2023

Name	Annual fee	Committee fees	Travel allowance	Benefits	Extraordinary items	Total remuneration
Andreas Sohmen-Pao, Chairman of the Board of Directors Member of the Remuneration Committee	-	-	-	-	-	-
Andreas Beroutsos, Board member	-	-	-	-	-	-
David Cogman, Board member Member of the Nomination Committee and the Audit Committee	-	-	-	-	-	-
Connie Hedegaard, Board member Chairman of the Nomination Committee	20,508	5,677	-	-	-	26,185
Jesper Lok, Board member Chairman of the Remuneration Committee	50,000	10,000	-	-	-	60,000
Ditlev Wedell-Wedellsborg, Board member Chairman of the Audit Committee	50,000	10,000	-	-	-	60,000
Andrea Abt, Board Member Member of the Audit Committee	33,312	3331	-	-	-	36,643
Total	153,820	29,008	-	-	-	182,828

Andreas Sohmen-Pao and Andreas Beroutsos are employed by BW Group and have not received remuneration as Cadeler board members in 2023.

Andreas Beroutsos stepped down from the Board with effect from 25 April 2023.

David Cogman is employed by Swire Group and has not received remuneration as Cadeler board member in 2023. He stepped down from the Board with effect from 16 June 2023.

Connie Hedegaard stepped down from the Board with effect from 16 June 2023. Andrea Abt entered the Board with effect from 25 April 2023.

Executive Management

Members of the Executive Management are entitled to an annual remuneration in accordance with the Remuneration Policy, which may consist of the following fixed and variable remuneration components:

- (a) Annual fixed salary
- (b) Employment Benefits
- (c) Pension contribution
- (d) Short-term and/or long-term incentive remuneration consisting of an annual performance-based bonus in cash, shares, other share-based incentives, such as stock options, restricted share units, warrants and phantom shares
- (e) Employee retention incentives in the form of cash or share-based incentives, and
- (f) Termination and severance payments

The choice of these components creates a well-balanced remuneration package reflecting (i) individual performance and responsibility of the members of the Executive Management in relation to established goals and targets, both in the short and the longer term, and (ii) the Company's overall performance.

The Management's performance-based bonus shall according to the Remuneration Policy be subject to performance criteria determined by the Board. The performance criteria may include both financial and non-financial targets related to the Company's strategy and key performance indicators, which may include, but are not limited to, the Company's health and safety record, EBITDA and the successful completion of projects, whether individually or collectively.

The composition of the remuneration of each individual manager is determined with a view to contribute to the Company's ability to attract and retain competent key employees while, at the same time, ensuring that the Executive Management has an incentive to create added value for the benefit of the Company's shareholders through variable remuneration.

Table 2 - Remuneration for the Executive Management for 2023

of

Name	Fixed remuneration			Variable remuneration			Fixed/total	Variable/total
	Base salary	Benefits	Pension	Cash bonus	Transaction bonus	Total remuneration		
Mikkel Gleerup, CEO	531,248	18,034	-	514,952	386,214	1,450,449	38%	62%
Peter Brogaard Hansen, CFO	289,371	37,237	28,859	144,686	108,514	608,666	58%	42%
Total	820,619	55,271	28,859	659,638	494,728	2,059,115		

Fixed Remuneration

The annual fixed base salary and benefits are intended to attract and retain competent key employees with a view to contribute to the Company's ability to obtain its short- and long-term targets. Members of the Executive Management are entitled to receive a pension contribution of up to 10% of the fixed base salary.

Variable Remuneration

Members of the Executive Management may in accordance with the Remuneration Policy be eligible to receive an annual performance-based bonus in cash, shares as well as other Share-based incentives, such as stock options, restricted share units, warrants and phantom shares. The performance criteria shall be determined by the Board and may include both financial and non-financial targets related to the Company's strategy and key performance indicators, which may include, but are not limited to, the Company's health and safety record, EBITDA and the successful completion of projects, whether individually or collectively. The performance bonus shall be subject to the level

achievement of performance targets to be defined and set annually by the board of directors and comprising one or more financial years in the reference period.

The maximum annual value of a cash bonus and a share-based incentive grant, respectively, may not exceed 200% of the fixed annual salary at the time of grant. Where a performance bonus is to be paid in shares or other share-based incentives, the entitlement to shares shall be subject to a vesting period of at least 12 months and requirement of continuous service during the vesting period. Vesting may be subject to fulfilment of certain pre-defined criteria if determined by the Board of Directors.

The exercise price, if any, shall be determined by the Board at the time of grant and may, if so decided, take place at par value or more.

Prior Year Incentive Scheme

For the Financial Year 2020, Management had been granted the right to an IPO success bonus upon the successful offering and listing of the Company on Oslo Stock Exchange.

The bonus comprised a share-based instrument corresponding of up to eight months of gross monthly salary to be paid in shares. The gross monthly salary and share price for the basis of calculation of shares was based on the gross monthly salary of management and share price on the first day of trading of the Company's shares on the Oslo Stock Exchange. The extraordinary award will accrue and be paid after 12 months from the first day of trading of the Company's shares on the Oslo Stock Exchange, which occurred on 27 November 2020. The award was paid in cash in December 2021 at the equivalent share value, resulting in a payment of EUR 307,443 to Mikkel Gleerup.

Incentive Schemes

In December 2021, a new remuneration scheme was agreed with effect from January 2022 and replacing the existing share-based incentive schemes for Executive Management.

The terms of the programme initiated in December 2021 are:

- (i) With effect from 2021, an annual bonus up to 6 to 12 gross monthly salary for Executive Management. This bonus is at the discretion of the board and paid in cash the following January.
- (ii) In January 2022, the CEO was granted 55,430 Restricted Share Units which will vest July 2024.
- (iii) In January 2022, the CEO was granted 55,430 Options in Cadeler shares which will vest May 2024 and expire in April 2027. The strike price will range from NOK 36.02 to NOK 38.42 depending on the exercise period.

(iv) In May 2022, the CEO was granted 221,719 and the CFO was granted 67,440 options in Cadeler shares, which will vest in May 2025 and expire in May 2028. The strike price will be NOK 40,24 and is conditional upon continued employment with Cadeler.

(v) In January 2023, the CEO was granted 130,416 and CFO was granted 59,280 Restricted Share Units, which will vest in July 2025 and are conditional upon continued employment within Cadeler.

(vi) In August 2023, the CEO was granted 385,320 and the CFO was granted 237,120 options in Cadeler shares, which will vest in August 2026 and expire in August 2029. The strike price will be NOK 45.49 and are conditional upon continued employment within Cadeler

Extraordinary awards

Members of the Board and Executive Management or employees may under the remuneration policy be offered extraordinary awards being a one-off bonus or other extraordinary variable remuneration. The value of such extraordinary award may not exceed 100% of the fixed annual salary.

In 2023, a Transaction Bonus has been awarded to the Executive Management in connection with the completion of the Anemoi project.

Termination and Severance Payments

According to the Company's Remuneration Policy, the members of the executive management are employed on individual contracts, which are generally entered into on an indefinite term with a mutual right of termination. The notice period may be up to 6 months for the member of the executive management and up to 12 months for the

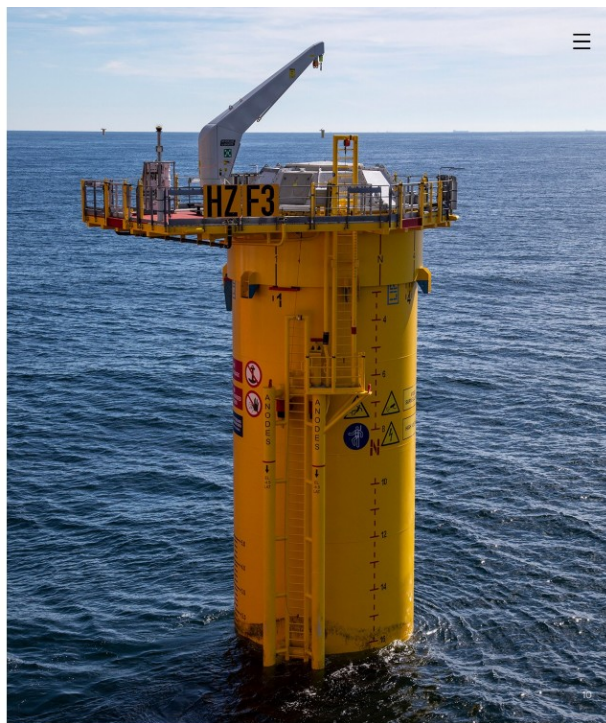
Company. In case of termination, members of executive management may be entitled to a severance payment of up to 12 months' total remuneration.

Non-Monetary Benefits

Members of the Executive Management are offered customary employee benefits such as telephone, computer and internet, as well as other benefits, including company car as approved by the Board. The value of such benefits may not exceed 50% of the fixed annual salary.

Claw-Back

The Company has the option of reclaiming, in full or in part, granted incentive remuneration in certain situations, including where incentive remuneration was awarded or paid out on the basis of information which subsequently proved to be incorrect. During the financial year ending 31 December 2023, no incentive remuneration was reclaimed.



Overview

The development in the remuneration of the Board and Management over the past three financial years is summarized in the table below.

Average wages and salaries per full time equivalents for onshore employees for the Group were EUR 173 thousand compared to EUR 141 thousand in 2022 and EUR 131 thousand in 2021.

The result for the Group was a profit of EUR 11,497 compared to a profit of EUR 35,541 thousand in 2022 and a profit of EUR 7,451 thousand in 2021.

Table 3 - Comparison of remuneration over the past three financial years

Name	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Mikkel Gleerup, CEO	1,450,449	839,372	708,484	611,077	130,888
Peter Brogaard, CFO	608,666	261,243	-	347,423	261,243
Mark Konrad, Former CFO	0	100,648	277,762	(100,648)	(177,114)
Andreas Sohmen-Pao	-	-	-	-	-
David Cogman	-	-	-	-	-
Andreas Beroutsos	-	-	-	-	-
Andrea Abt	36,643	-	-	36,643	-
Connie Hedegaard	26,185	60,000	60,000	(33,815)	-
Jesper Lok	60,000	60,000	60,000	-	-
Ditlev Wedell-Wedellsborg	60,000	60,000	60,000	-	-

Compliance with the Remuneration Policy

The remuneration of the Board and Executive Management for the financial year ending 31 December 2023 complies with the framework provided by the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.



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CADELER



COMPENSATION RECOUPMENT POLICY
Cadeler A/S
(Adopted by the board of directors on 8 December 2023)

1. PURPOSE

- 1.1. This Compensation Recoupment Policy (the “Policy”) has been adopted by the Board of Directors (the “Board”) of Cadeler A/S (the “Company”) on 8 December 2023. This Policy provides for reclaiming of incentive remuneration in certain situations including as required under applicable regulation and corporate governance recommendations and the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under U.S. federal securities laws in accordance with the terms and conditions set forth herein. This Policy is intended to comply with the requirements of Section 10D of the Exchange Act (as defined below) and Section 303A.14 of the NYSE Listed Company Manual (the “Listing Rule”) as well as the Norwegian Corporate Governance Code.

2. DEFINITIONS

- 2.1. For the purposes of this Policy, the following terms shall have the meanings set forth below.

- (a) “Committee” means the remuneration committee of the Board or any successor committee thereof. If there is no remuneration committee of the Board, references herein to the Committee shall refer to the Board or such other committee of the Company responsible for executive compensation decisions.
- (b) “Covered Compensation” means any Incentive-based Compensation “received” by a Covered Executive during the applicable Recoupment Period; *provided* that:
- (i) such Incentive-based Compensation was received by such Covered Executive (A) on or after the Effective Date, (B) after he or she commenced service as an Executive Officer and (C) while the Company had a class of securities publicly listed on a United States national securities exchange; and
- (ii) such Covered Executive served as an Executive Officer at any time during the performance period applicable to such Incentive-based Compensation.

For purposes of this Policy, Incentive-based Compensation is “received” by a Covered Executive during the fiscal period in which the Financial Reporting Measure applicable to such Incentive-based Compensation (or portion thereof) is attained, even if the payment or grant of such Incentive-based Compensation is made thereafter.

- (c) “Covered Executive” means any (i) current or former Executive Officer and (ii) any other employee of the Company and its subsidiaries designated by the Committee as subject to this Policy from time to time.

- (d) “Effective Date” means the date on which the Listing Rule becomes effective.
- (e) “Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.
- (f) “Executive Officer” means, with respect to the Company, (i) its executive management, including its president/principal/chief executive officer and its principal/chief financial officer, (ii) its principal/chief accounting officer (or if there is no such accounting officer, its controller), (iii) any vice president or member of executive management in charge of a principal business unit, division or function (such as sales, administration or finance), (iv) any other officer who performs a policy-making function for the Company and (v) any other person who performs similar policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. The determination as to an individual’s status as an Executive Officer for the purpose of this Policy shall be made by the Committee, subject to final approval of the Board, which such determination shall be final, conclusive and binding on such individual and all other interested persons.
- (g) “Financial Reporting Measure” means any (i) measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, (ii) stock price measure or (iii) total shareholder return measure (and any measures that are derived wholly or in part from any measure referenced in clause (i), (ii) or (iii) above). For the avoidance of doubt, any such measure does not need to be presented within the Company’s financial statements or included in a filing with the U.S. Securities and Exchange Commission to constitute a Financial Reporting Measure.
- (h) “Financial Restatement” means a restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under Danish law or U.S. federal securities laws that is required in order to correct:
 - (i) an error in previously issued financial statements that is material to the previously issued financial statements;
or
 - (ii) an error that would result in a material misstatement if the error were (A) corrected in the current period or (B) left uncorrected in the current period.

For purposes of this Policy, a Financial Restatement shall not be deemed to occur in the event of a revision of the Company’s financial statements due to an out-of-period adjustment (i.e., when the error is immaterial to the previously issued financial statements and the correction of the error is also immaterial to the current period) or a retrospective (1) application of a change in accounting principles; (2) revision to reportable segment information due to a change in the structure of the Company’s internal organization; (3) reclassification due to a discontinued operation; (4) application of a change in reporting entity, such as from a reorganization of entities under common control; (5) revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure; or (6) adjustment to provisional amounts in connection with a prior business combination.

- (i) “Incentive-based Compensation” means any compensation (including, for the avoidance of doubt, any cash or equity or equity-based compensation, whether deferred or current) that is granted, earned and/or vested based wholly or in part upon the achievement of a

Financial Reporting Measure. For purposes of this Policy, "Incentive-based Compensation" shall also be deemed to include any amounts which were determined based on (or were otherwise calculated by reference to) Incentive-based Compensation (including, without limitation, any amounts under any long-term disability, life insurance or supplemental retirement or severance plan or agreement or any notional account that is based on Incentive-based Compensation, as well as any earnings accrued thereon).

- (j) "NYSE" means the New York Stock Exchange, or any successor thereof.
- (k) "Recoupment Period" means the three fiscal years completed immediately preceding the date of any applicable Recoupment Trigger Date. Notwithstanding the foregoing, the Recoupment Period additionally includes any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years, provided that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year.
- (l) "Recoupment Trigger Date" means the earlier of (i) the date that the Board (or a committee thereof or the executive management of the Company authorized to take such action if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement, and (ii) the date on which a court, regulator or other legally authorized body directs the Company to prepare a Financial Restatement.

3. RECOUPMENT OF ERRONEOUSLY AWARDED COMPENSATION.

- 3.1. The Company shall have the option of reclaiming, in full or in part, granted, awarded and/or paid Incentive-based Compensation including where Incentive-based Compensation was awarded, granted or paid out on the basis of information which subsequently proved to be incorrect.
- 3.2. Notwithstanding Section 3.1 hereof, in the event of a Financial Restatement, if the amount of any Covered Compensation received by a Covered Executive (the "Awarded Compensation") exceeds the amount of such Covered Compensation that would have otherwise been received by such Covered Executive if calculated based on the Financial Restatement (the "Adjusted Compensation"), the Company shall reasonably promptly recover from such Covered Executive an amount equal to the excess of the Awarded Compensation over the Adjusted Compensation, each calculated on a pre-tax basis (such excess amount, the "Erroneously Awarded Compensation").
- 3.3. If (i) the Financial Reporting Measure applicable to the relevant Covered Compensation is stock price or total shareholder return (or any measure derived wholly or in part from either of such measures) and (ii) the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the amount of Erroneously Awarded Compensation shall be determined (on a pre-tax basis) based on the Company's reasonable estimate of the effect of the Financial Restatement on the

Company's stock price or total shareholder return (or the derivative measure thereof) upon which such Covered Compensation was received.

- 3.4. For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation is not dependent on (i) if or when the restated financial statements are filed or (ii) any fault of any Covered Executive for the accounting errors or other actions leading to a Financial Restatement.
 - 3.5. Notwithstanding anything to the contrary in Sections 3.1 through 3.4 hereof, the Company shall not be required to recover any Erroneously Awarded Compensation if both (x) the conditions set forth in either of the following clauses (i), (ii), or (iii) are satisfied and (y) the Board's committee of independent directors responsible for executive compensation decisions (or, in the absence of such a committee, a majority of the independent directors serving on the Board) has determined that recovery of the Erroneously Awarded Compensation would be impracticable:
 - (a) the direct expense paid to a third party to assist in enforcing the recovery of the Erroneously Awarded Compensation under this Policy would exceed the amount of such Erroneously Awarded Compensation to be recovered; *provided* that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 3.5, the Company shall have first made a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to make such recovery and provide that documentation to the NYSE;
 - (b) recovery of the Erroneously Awarded Compensation would violate Danish law to the extent such law was adopted prior to November 28, 2022 (provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 3.5, the Company shall have first obtained an opinion of home country counsel of Denmark, that is acceptable to the NYSE, that recovery would result in such a violation, and the Company must provide such opinion to the NYSE; or
 - (c) recovery of the Erroneously Awarded Compensation would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code").
 - 3.6. The Company shall not indemnify any Covered Executive, directly or indirectly, for any losses that such Covered Executive may incur in connection with the recovery of Erroneously Awarded Compensation pursuant to this Policy, including through the payment of insurance premiums or gross-up payments.
 - 3.7. The Committee shall determine, the manner and timing in which any Erroneously Awarded Compensation shall be recovered from a Covered Executive in accordance with applicable law, including, without limitation, by (i) requiring reimbursement of Covered Compensation previously paid in cash; (ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity or equity-based awards; (iii)
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offsetting the Erroneously Awarded Compensation amount from any compensation otherwise owed by the Company or any of its affiliates to the Covered Executive; (iv) cancelling outstanding vested or unvested equity or equity-based awards; and/or (v) taking any other remedial and recovery action permitted by applicable law. For the avoidance of doubt, except as set forth in Section 3.5, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation; *provided* that, to the extent necessary to avoid any adverse tax consequences to the Covered Executive pursuant to Section 409A of the Code, any offsets against amounts under any nonqualified deferred compensation plans (as defined under Section 409A of the Code) shall be made in compliance with Section 409A of the Code.

4. Administration.

- 4.1. This Policy shall be administered by the Committee. All decisions of the Committee shall be final, conclusive and binding upon the Company and the Covered Executives, their beneficiaries, executors, administrators and any other legal representative, however, subject to any decision by the Board. The Committee shall have full power and authority to (i) administer and interpret this Policy; (ii) correct any defect, supply any omission and reconcile any inconsistency in this Policy; and (iii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Policy and to comply with applicable law (including Section 10D of the Exchange Act) and applicable stock market or exchange rules and regulations. Notwithstanding anything to the contrary contained herein, to the extent permitted by Section 10D of the Exchange Act and the Listing Rule, the Board may, in its sole discretion, at any time and from time to time, administer this Policy in the same manner as the Committee.

5. Amendment/Termination.

- 5.1. Subject to Section 10D of the Exchange Act and the Listing Rule, this Policy may be amended or terminated by the Committee at any time. To the extent that any applicable law, or stock market or exchange rules or regulations require recovery of Erroneously Awarded Compensation in circumstances in addition to those specified herein, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Erroneously Awarded Compensation to the fullest extent required by such applicable law, stock market or exchange rules and regulations. Unless otherwise required by applicable law, this Policy shall no longer be effective from and after the date that the Company no longer has a class of securities publicly listed on a United States national securities exchange.

6. Interpretation.

- 6.1. Notwithstanding anything to the contrary herein, this Policy is intended to comply with the requirements of Section 10D of the Exchange Act and the Listing Rule (and any applicable regulations, administrative interpretations or stock market or exchange rules and regulations adopted in connection therewith). The provisions of this Policy shall be interpreted in a manner that satisfies such requirements and this Policy shall be operated accordingly. If any provision

of this Policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict.

7. Other Compensation Clawback/Recoupment Rights.

- 7.1. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies, rights or requirements with respect to the clawback or recoupment of any compensation that may be available to the Company pursuant to the terms of any other recoupment or clawback policy of the Company (or any of its affiliates) that may be in effect from time to time, any provisions in any employment agreement, offer letter, equity plan, equity award agreement or similar plan or agreement, and any other legal remedies available to the Company, as well as applicable law, stock market or exchange rules, listing standards or regulations; *provided, however*, that any amounts recouped or clawed back under any other policy that would be recoupable under this Policy shall count toward any required clawback or recoupment under this Policy and vice versa.

8. Exempt Compensation.

- 8.1. Notwithstanding anything to the contrary herein, the Company has no obligation under this Policy to seek recoupment of amounts paid to a Covered Executive which are granted, vested or earned based solely upon the occurrence or non-occurrence of nonfinancial events. Such exempt compensation includes, without limitation, base salary, time-vesting awards, compensation awarded on the basis of the achievement of metrics that are not Financial Reporting Measures or compensation awarded solely at the discretion of the Committee or the Board, *provided* that such amounts are in no way contingent on, and were not in any way granted on the basis of, the achievement of any Financial Reporting Measure performance goal.

9. Miscellaneous.

- 9.1. Any applicable award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the restrictions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern. For the avoidance of doubt, this Policy applies to all compensation that is received on or after the Effective Date, regardless of the date on which the award agreement or other document setting forth the terms and conditions of the Covered Executive's compensation became effective, including, without limitation, compensation received under the Company's incentive plans and any successor plan thereto.
- 9.2. This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives to the maximum extent possible under applicable law.
- 9.3. All issues concerning the construction, validity, enforcement and interpretation of this Policy and all related documents, including, without limitation, any employment agreement, offer letter, equity award agreement or similar agreement, shall be governed by, and construed in accordance with, the laws of the Denmark, without giving effect to any choice of law or conflict of law rules or provisions (whether of the Denmark or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than Denmark.

- 9.4. If any provision of this Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.